UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K/A

/X/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED JULY 31, 1999
OR

/ / TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER: 0-27756

ALEXION PHARMACEUTICALS, INC.

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE	13-3648318
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

25 SCIENCE PARK, NEW HAVEN, CONNECTICUT 06511
(Address of Principal Executive Offices) (Zip Code)

203-776-1790
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value $0.0001

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / /

The aggregate market value of the Common Stock held by non-affiliates of the registrant, based upon the last sale price of the Common Stock reported on the National Association of Securities Dealers Automated Quotation (NASDAQ) National Market System on November 17, 1999, was approximately $148,000,000.

The number of shares of Common Stock outstanding as of November 17, 1999 was 11,331,947.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND KEY EMPLOYEES.

Set forth below is certain information regarding our executive officers, directors and key employees:

NAME	AGE	POSITION WITH ALEXION
John H. Fried, Ph.D.(1)(2)	70	Chairman of the Board of Directors
Leonard Bell, M.D.(1)	41	President, Chief Executive Officer, Secretary, Treasurer, Director
David W. Keiser	48	Executive Vice President, Chief Operating Officer
Louis A. Matis, M.D.	49	Senior Vice President, Chief Scientific Officer
Stephen P. Squinto, Ph.D.	43	Senior Vice President, Chief Technology Officer
Barry P. Luke	41	Vice President of Finance and Administration, Assistant Secretary
Nancy Motola, Ph.D.	47	Vice President of Regulatory Affairs and Quality Assurance
James A. Wilkins, Ph.D.	47	Vice President of Process Sciences and Manufacturing
William Fodor, Ph.D.(3)	41	Senior Director of Xenotransplantation
Christopher F. Mojcik, M.D., Ph.D.(3)	39	Senior Director of Clinical Development
Scott A. Rollins, Ph.D.(3)	36	Senior Director of Project Management and Drug Development
Jerry T. Jackson	58	Director
Max Link, Ph.D.(1)(2)	59	Director
Joseph A. Madri, Ph.D., M.D.	53	Director
Leonard Marks, Jr., Ph.D.(2)	78	Director
Eileen M. More	53	Director
R. Douglas Norby	64	Director
Alvin S. Parven(2)	59	Director

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(1) Member of our nominating committee.

(2) Member of our audit committee and our compensation committee.

(3) Key employee.

Each director will hold office until the next annual meeting of stockholders and until his or her successor is elected and qualified or until his or her earlier resignation or removal. Each officer serves at the discretion of the board of directors. Each of our executive officers is a party to an employment agreement with us.

JOHN H. FRIED, PH.D. has been the Chairman of our board of directors of Alexion since April 1992. Since 1992, Dr. Fried has been President of Fried & Co., Inc., a health technology venture firm. Dr. Fried was a director of Syntex Corp., a life sciences and health care company, from 1982 to 1994 and he served as Vice Chairman of Syntex from 1985 to January 1993 and President of the Syntex Research Division from 1976 to 1992. Dr. Fried has originated more than 200 U.S. Patents and has authored more than 80 scientific publications. Dr. Fried received his B.S. in Chemistry and Ph.D. in Organic Chemistry from Cornell University.

LEONARD BELL, M.D. is the principal founder of Alexion, and has been a director of Alexion since February 1992 and the Company's President and Chief Executive Officer, Secretary and Treasurer since January 1992. From 1991 to 1992, Dr. Bell was an Assistant Professor of Medicine and Pathology and

co-Director of the Program in Vascular Biology at the Yale University School of Medicine. From 1990 to 1992, Dr. Bell was an attending physician at the Yale-New Haven Hospital and an Assistant Professor in the Department of Internal Medicine at the Yale University School of Medicine. Dr. Bell was the recipient of the Physician Scientist Award from the National Institutes of Health and Grant-in-Aid from the American Heart Association as well as various honors and awards from academic and professional organizations. His work has resulted in more than 20 scientific publications and three patent applications. Dr. Bell is a director of the Connecticut Technology Council and Connecticut United for Research Excellence, Inc. He also served as a director of the Biotechnology Research and Development Corporation from 1993 to 1997. Dr. Bell received his A.B. from Brown University and M.D. from Yale University School of Medicine. Dr. Bell is currently an Adjunct Assistant Professor of Medicine and Pathology at Yale University School of Medicine.

DAVID W. KEISER has been Executive Vice President and Chief Operating Officer of Alexion since July 1992. From 1990 to 1992, Mr. Keiser was Senior Director of Asia Pacific Operations for G.D. Searle & Company Limited, a manufacturer of pharmaceutical products. From 1986 to 1990, Mr. Keiser was successively Licensing Manager, Director of Product Licensing and Senior Director of Product Licensing for Searle. From 1984 to 1985, Mr. Keiser was New Business Opportunities Manager for Mundipharma AG, a manufacturer of pharmaceutical products, in Basel, Switzerland where he headed pharmaceutical licensing and business development activities in Europe and the Far East. From 1978 to 1983, he was Area Manager for F. Hoffmann La Roche Ltd., a manufacturer of pharmaceutical products, in Basel, Switzerland. Mr. Keiser received his B.A. from Gettysburg College.

LOUIS A. MATIS, M.D. has been the Senior Vice President and Chief Scientific Officer since March 1998 and Vice President of Research, Immunobiology, of Alexion from August 1994 to March 1998. From January 1993 to July 1994, Dr. Matis served as the Director of our Program in Immunobiology. Prior to joining Alexion, from 1977 to 1992, Dr. Matis held various appointments at the NIH and the FDA. From 1990 to 1992, Dr. Matis was a Senior Investigator in the Laboratory of Immunoregulation at the National Cancer Institute and from 1987 to 1990 he was a Senior Staff Fellow in the Molecular Immunology Laboratory at the Center for Biologics Evaluation and Research associated with the FDA. Dr. Matis is the author of more than 100 scientific papers in the fields of T-cell biology. Dr. Matis has received numerous awards including the NIH Award of Merit. Dr. Matis received his B.A. from Amherst College and M.D. from the University of Pennsylvania Medical School.

STEPHEN P. SQUINTO, PH.D. is a founder of Alexion and has held the positions of Senior Vice President and Chief Technical Officer since March 1998, Vice President of Research, Molecular Sciences, from August 1994 to March 1998, Senior Director of Molecular Sciences from July 1993 to July 1994 and Director of Molecular Development from April 1992 to July 1993. From 1989 to 1992, Dr. Squinto held various positions at Regeneron Pharmaceuticals, Inc., most recently serving as Senior Scientist and Assistant Head of the Discovery Group. From 1986 to 1989, Dr. Squinto was an Assistant Professor of Biochemistry and Molecular Biology at Louisiana State University Medical Center. Dr. Squinto's work has led to over 70 scientific papers in the fields of gene regulation, growth factor biology and gene transfer. Dr. Squinto's work is primarily in the fields of regulation of eukaryotic gene expression, mammalian gene expression systems and growth receptor and signal transduction biology. Dr. Squinto also serves as a Director of the BRDC since 1997. Dr. Squinto received his B.A. in Chemistry and Ph.D. in Biochemistry and Biophysics from Loyola University of Chicago.

BARRY P. LUKE has been Vice President of Finance and Administration since September 1998 and Senior Director of Finance and Administration of Alexion from August 1995 to September 1998 and prior thereto was Director of Finance and Accounting of the Company from May 1993. From 1989 to 1993, Mr. Luke was Chief Financial Officer, Secretary and Vice President--Finance and Administration at Comtex Scientific Corporation, a publicly held distributor of electronic news and business information. From 1985 to 1989, he was Controller and Treasurer of Softstrip, Inc., a manufacturer of computer peripherals and

software. From 1980 to 1985, Mr. Luke was employed by the General Electric Company where he held positions at GE's Corporate Audit Staff after completing GE's Financial Management Program. Mr. Luke received a B.A. in Economics from Yale University and an M.B.A. in management and marketing from the University of Connecticut.

NANCY MOTOLA, PH.D. has been the Vice President of Regulatory Affairs and Quality Assurance since 1998. From 1991 to 1998, Dr. Motola served as Assistant, Associate, and then Deputy Director, Regulatory Affairs for the Bayer Corporation Pharmaceutical Division where she was responsible for regulatory aspects of product development programs for cardiovascular, neuroscience, metabolic and oncology drugs and included drugs targeting arthritis, cardiac disorders, stroke and cognitive dysfunction. Dr. Motola has been responsible for the filing of numerous INDs, other regulatory submissions and has filed New Drug Applications for marketing approval resulting in three currently marketed drugs. Dr. Motola held regulatory affairs positions of increasing responsibility at Abbott Laboratories from 1989 to 1991 and at E.R. Squibb and Sons, Inc. from 1983 to 1989. She has also served as past Chairperson of the Regulatory Affairs Section of the American Association of Pharmaceutical Scientists. Dr. Motola received her B.A. from Central Connecticut State University and M.S. and Ph.D. degrees in medicinal chemistry from the University of Rhode Island.

JAMES A. WILKINS, PH.D. has been Vice President of Process Sciences and Manufacturing of Alexion since September 1998 and has held the positions of Senior Director of Process Sciences from August 1996 to September 1998, Senior Director of Process Development from August 1995 to August 1996, and Director of Process Development from September 1993 to August 1995. From 1989 to 1993, Dr. Wilkins was Group Leader of the Protein Chemistry Department at Otsuka America Pharmaceutical, Inc. From 1987 to 1989, Dr. Wilkins was a Scientist in Recovery Process Development at Genentech, Inc. and from 1982 to 1987, he was an Associate Research Scientist in the Thomas C. Jenkins Department of Biophysics at Johns Hopkins University. He is the author of more than 25 presentations and scientific articles in the fields of protein refolding and protein biochemistry. Dr. Wilkins received a B.A. in Biology from University of Texas and a Ph.D. in Biochemistry from University of Tennessee.

WILLIAM FODOR, PH.D. has been Senior Director of Xenotransplantation since 1997. After joining Alexion in 1992, Dr. Fodor was a Staff Scientist from 1992 to 1994, Principal Scientist from 1994 to 1996, and Director of Xenotransplantation from 1996 to 1997. Dr. Fodor has been responsible for managing the preclinical development and manufacturing of our xenotransplantation product candidates. Prior to 1992, Dr. Fodor was a postdoctoral research fellow in the Section of Immunobiology at Yale University School of Medicine and at Biogen, Inc., a biopharmaceutical firm. Dr. Fodor's work has led to over 30 scientific papers and patents in the fields of immunobiology and molecular biology. Dr. Fodor received his B.S. in Genetics and Ph.D. in Molecular Genetics from the Ohio State University.

CHRISTOPHER F. MOJCIK, M.D., PH.D. has been Senior Director of Clinical Development since joining Alexion in July 1998. From 1996 until July 1998, he was an Associate Director in the Metabolics/ Rheumatics Department at Bayer Corporation's Pharmaceuticals Division. Dr. Mojcik was responsible for Phase II and III development of certain arthritis programs and certain Phase IV programs in cardiopulmonary bypass. From 1993 to 1996, he was a Senior Staff Fellow in the Cellular Immunology Section of the Laboratory of Immunology in the NIAID at the NIH. From 1991 to 1993, he completed his Fellowship in Rheumatology in the National Institute of Arthritis and Musculoskeletal and Skin Diseases at the NIH. He received his B.A. from Washington University in St. Louis, Missouri, and his M.D. and Ph.D. from the University of Connecticut.

SCOTT A. ROLLINS, PH.D. is a co-founder of Alexion and has been Senior Director of Project Management and Drug Development since August 1999, Senior Director of Complement Biology from 1997 to 1999, Director of Complement Biology from 1996 to 1997, Principal Scientist from 1994 to 1996, and Staff Scientist from 1992 to 1994. Since 1994, Dr. Rollins has been responsible for the preclinical development of our anti-inflammatory compound 5G1.1-SC. Since 1999, Dr. Rollins has been additionally responsible

for the project management functions of 5G1.1-SC, currently under joint development with Procter & Gamble Pharmaceuticals. Prior to 1992, Dr. Rollins was a postdoctoral research fellow in the Department of Immunobiology at Yale University School of Medicine. Dr. Rollins' work has led to over 50 scientific papers and patents in the fields of complement biology. He received his B.S. in Cytotechnology and Ph.D. in Microbiology and Immunology from the University of Oklahoma Health Sciences Center.

JERRY T. JACKSON has been a director of Alexion since September 1999. He was employed by Merck & Co. Inc., a major pharmaceutical company, from 1965 until his retirement in 1995. During this time, he had extensive experience in sales, marketing and corporate management, including joint ventures. From 1993 until 1995, Mr. Jackson served as Executive Vice President of Merck with broad responsibilities for numerous operating groups--including Merck's International Human Health, Worldwide Human Vaccines, the AgVet Division, Astra/Merck U.S. Operations, as well as worldwide marketing. During 1993, he was also President of the Worldwide Human Health Division in 1993. He served as Senior Vice President of Merck from 1991 to 1992 responsible for Merck's Specialty Chemicals and previously, he was President of Merck's Sharp & Dohme International. Mr. Jackson serves as a director of Cor Therapeutics, Inc., Molecular Biosystems, Inc., SunPharm Corporation, and Crescendo Pharmaceuticals Corporation. Mr. Jackson received his B.A. from University of New Mexico.

MAX LINK, PH.D. has been a director of Alexion since April 1992. From May 1993 to June 1994, Dr. Link was Chief Executive Officer of Corange (Bermuda), the parent company of Boehringer Mannheim Therapeutics, Boehringer Mannheim Diagnostics and DePuy Orthopedics. From 1992 to 1993, Dr. Link was Chairman of the Board of Sandoz Pharma, Ltd., a manufacturer of pharmaceutical products. From 1987 to 1992, Dr. Link was the Chief Executive Officer of Sandoz Pharma and a member of the Executive Board of Sandoz, Ltd., Basel. Prior to 1987, Dr. Link served in various capacities with the United States operations of Sandoz, including as President and Chief Executive Officer. Dr. Link is also a director of Protein Design Labs, Inc., Cell Therapeutics, Inc., and Procept, Inc., each a publicly held pharmaceutical company, as well as Human Genome Sciences Inc., a genomics company.

JOSEPH A. MADRI, PH.D., M.D. is a founder of Alexion and has been a director of Alexion since February 1992. Since 1980, Dr. Madri has been on the faculty of the Yale University School of Medicine and is currently a Professor of Pathology. Dr. Madri serves on the editorial boards of numerous scientific journals and he is the author of over 175 scientific publications. Dr. Madri works in the areas of regulation of angiogenesis, vascular cell-matrix interactions, cell-cell interactions, lymphocyte-endothelial cell interactions and endothelial and smooth muscle cell biology and has been awarded a Merit award from the National Institutes of Health. Dr. Madri received his B.S. and M.S. in Biology from St. John's University and M.D. and Ph.D. in Biological Chemistry from Indiana University.

LEONARD MARKS, JR., PH.D. has been a director of Alexion since April 1992. Since 1985 Dr. Marks has served as an independent corporate director and management consultant. Dr. Marks serves on the board of directors of Netvision Technologies Inc. Dr. Marks served as a director of Airlease Management Services, an aircraft leasing company (a subsidiary of Bank America Leasing & Capital Corporation), from 1995 to March 1998, and Northern Trust Bank of Arizona, a commercial and trust bank subsidiary of Northern Trust of Chicago, from 1995 to March 1998. Prior to 1985, Dr. Marks held various positions in academia and in the corporate sector including Executive Vice President, Castle & Cooke, Inc. from 1972 to 1985. Dr. Marks received his B.A. in Economics from Drew University and an M.B.A. and Doctorate in Business Administration from Harvard University.

EILEEN M. MORE has been a director of Alexion since December 1993. Ms. More has been associated since 1978 with Oak Investment Partners and has been a General Partner of Oak since 1980. Oak is a venture capital firm and a stockholder of Alexion. Ms. More is currently a director of several private high technology and biotechnology firms including OraPharma, Inc., Halox Technologies, Psychiatric Solutions and Teloquent Communication Corporation. Ms. More studied mathematics at the University of Bridgeport and is a Chartered Financial Analyst.

R. DOUGLAS NORBY has been a director of Alexion since September 1999. Since 1996, Mr. Norby has been the Executive Vice President and Chief Financial Officer of LSI Logic Corporation, a semiconductor company, and he also serves on the Board of LSI. From September 1993 until November 1996, he served as Senior Vice President and Chief Financial Officer of Mentor Graphics Corporation, a software company. Mr. Norby served as President of Pharmetrix Corporation, a drug delivery company, from July 1992 to September 1993, and from 1985 to 1992, he was President and Chief Operating Officer of Lucasfilm, Ltd., an entertainment company. From 1979 to 1985, Mr. Norby was Senior Vice President and Chief Financial Officer of Syntex Corporation, a pharmaceutical company. Mr. Norby received a B.A. in Economics from Harvard University and an M.B.A. from Harvard Business School.

ALVIN S. PARVEN has been a director of Alexion since May 1999. Since 1997, Mr. Parven has been President of ASP Associates, a management and strategic consulting firm. From 1994 to 1997, Mr. Parven was Vice President at Aetna Business Consulting, reporting to the Office of the Chairman of Aetna. From 1987 to 1994, Mr. Parven was Vice President, Operations at Aetna Health Plans. Prior to 1987, he served in various capacities at Aetna including Vice President, Pension Services from 1983 to 1987. Mr. Parven received his B.A. from Northeastern University.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of October 1, 1999, except as otherwise noted in the footnotes: (1) each person known by us to own beneficially more than 5.0% percent of our outstanding common stock; (2) each director and each named executive officer; and (3) all directors and executive officers of Alexion as a group.

NAME OF BENEFICIAL OWNER(1)	NUMBER OF SHARES BENEFICIALLY OWNED(2)	PERCENTAGE OF SHARES BENEFICIALLY OWNED
BB Biotech AG Vordergrasse 3 8200 Schaffhausen CH/Switzerland(3)	1,824,113	16.1%
Scudder Kemper Investments, Inc. 345 Park Avenue New York, NY 10154(4)	869,500	7.6%
Zesiger Capital 320 Park Avenue, 30th floor New York, NY 10022(5)	845,000	7.5%
The Kaufmann Fund, Inc. 140 E. 45th Street, 43rd floor New York, NY 10017(6)	837,300	7.4%
T. Rowe Price Associates 100 East Pratt Street Baltimore, MD 21205(7)	828,600	7.3%
OrbiMed Advisers, Inc. 41 Madison Avenue, 40th floor New York, NY 10010(8)	750,500	6.6%
Leonard Bell, M.D.(9)	583,850	5.0%
Stephen P. Squinto, Ph.D.(10)	180,450	1.6%
David W. Keiser(11)	167,300	1.5%
Louis A. Matis, M.D.(12)	147,900	1.3%
Eileen M. More(13)	114,780	1.0 %
John H. Fried, Ph.D.(14)	91,003	*
James A. Wilkins, Ph.D.(15)	60,000	*
Joseph A. Madri, Ph.D., M.D.(16)	57,467	*
Max Link, Ph.D.(17)	25,490	*
Leonard Marks, Jr., Ph.D.(18)	15,967	*
Jerry T. Jackson(19)	--	*
R. Douglas Norby(20)	--	*
Alvin S. Parven(21)	--	*
Directors and Executive Officers as a group (15 persons)(22)	1,501,257	12.2%

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* Less than one percent

(1) Unless otherwise indicated, the address of all persons is 25 Science Park, New Haven, Connecticut 06511.

(2) To our knowledge, except as set forth below, the persons named in the table have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them, subject to community property laws where applicable and the information contained in the footnotes in this table.

(3) This figure is based upon information set forth in Amendment No. 3 to Schedule 13D filed on May 27, 1998, filed jointly by BB Biotech AG and Biotech Target, S.A. Biotech Target, S.A., a Panamanian corporation, is a wholly-owned subsidiary of BB Biotech AG. BB Biotech AG is a holding company incorporated in Switzerland.

(4) This figure is based upon information set forth in a Report on Form 13F as of June 30, 1999 filed with the SEC.

(5) This figure is based upon information set forth in Schedule 13G filed on January 21, 1999.

(6) This figure is based upon information set forth in Schedule 13G filed on August 20, 1999.

(7) This figure is based upon information set forth in Schedule 13G filed on February 5, 1999.

(8) This figure is based upon information set forth in Schedule 13G filed on March 25, 1999.

(9) Includes 423,750 shares of our common stock that may be acquired upon the exercise of options within 60 days of October 1, 1999 and 300 shares, in aggregate, held in the names of Dr. Bell's three minor children. Excludes 161,250 shares obtainable through the exercise of options granted to Dr. Bell which are not exercisable within 60 days of October 1, 1999 and 90,000 shares held in trust for Dr. Bell's children of which Dr. Bell disclaims beneficial ownership. Dr. Bell disclaims beneficial ownership of the shares held in the name of his minor children.

(10) Includes 123,750 shares of our common stock which may be acquired upon the exercise of options within 60 days of October 1, 1999 and 6,200 shares, in aggregate, held in the names of Dr. Squinto's two minor children of which 6,000 shares are in two trusts managed by his wife. Excludes 58,750 shares obtainable through the exercise of options granted to Dr. Squinto which, are not exercisable within 60 days of October 1, 1999. Dr. Squinto disclaims beneficial ownership of the shares held in the name of his minor children and the foregoing trusts.

(11) Includes 125,000 shares of our common stock which may be acquired upon the exercise of options within 60 days of October 1, 1999 and 300 shares, in aggregate, held in the names of Mr. Keiser's three minor children. Excludes 72,500 shares obtainable through the exercise of options granted to Mr. Keiser, which, are not exercisable within 60 days of October 1, 1999. Mr. Keiser disclaims beneficial ownership of the shares held in the name of his minor children.

(12) Includes 133,750 shares of our common stock which may be acquired upon the exercise of options granted to Dr. Matis within 60 days of October 1, 1999 and 150 shares, in aggregate, held in the names of Dr. Matis' three minor children. Excludes 58,750 shares obtainable through the exercise of options, granted to Dr. Matis, which, are not exercisable within 60 days of October 1, 1999. Dr. Matis disclaims beneficial ownership of the shares held in the name of his minor children.

(13) Includes 27,467 shares of our common stock which may be acquired upon the exercise of options within 60 days of October 1, 1999 granted to Eileen More. Also includes 76,406 shares owned by Oak Investment V Partners and 10,907 shares owned by Oak Investment V Affiliates, two affiliated limited partnerships. Ms. More is a General Partner of these entities. Excludes 3,333 shares obtainable through the exercise of options granted to Ms. More which are not exercisable within 60 days of October 1, 1999.

(14) Includes 14,967 shares of our common stock that may be acquired on the exercise of options that are exercisable within 60 days of October 1, 1999. Excludes 3,333 shares obtainable through the exercise of options granted to Dr. Fried, which are not exercisable within 60 days of October 1, 1999.

(15) Excludes 45,000 shares obtainable through the exercise of options granted to Dr. Wilkins, which are not exercisable within 60 days of October 1, 1999.

(16) Includes 12,467 shares of our common stock that may be acquired upon the exercise of options within 60 days of October 1, 1999. Excludes 3,333 shares obtainable through the exercise of options granted to Dr. Madri, which are not exercisable within 60 days of October 1, 1999.

(17) Includes 167 shares of our common stock which, may be acquired upon the exercise of options within 60 days of October 1, 1999. Excludes 3,333 shares obtainable through the exercise of options, granted to Dr. Link, which are not exercisable within 60 days of October 1, 1999.

(18) Includes 14,967 shares of our common stock which, may be acquired upon the exercise of options within 60 days of October 1, 1999. Excludes 3,333 shares obtainable through the exercise of options granted to Dr. Marks, which are not exercisable within 60 days of October 1, 1999.

(19) Excludes 7,500 shares obtainable through the exercise of options granted to Mr. Jackson, which are not exercisable within 60 days of October 1, 1999.

(20) Excludes 7,500 shares obtainable through the exercise of options granted to Mr. Norby, which are not exercisable within 60 days of October 1, 1999.

(21) Excludes 7,500 shares obtainable through the exercise of options granted to Mr. Parven, which are not exercisable within 60 days of October 1, 1999.

(22) Consists of shares beneficially owned by Drs. Bell, Fried, Link, Madri, Marks, Matis, Motola, Squinto, and Wilkins, Messrs. Jackson, Keiser, Luke, Norby and Parven, and Ms. More. Includes 993,335 shares of our common stock which, may be acquired upon the exercise of options within 60 days of October 1, 1999.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(A) (1) FINANCIAL STATEMENTS:

The financial statements required by this item are submitted in a separate section beginning on page F-1 of this report.

(2) FINANCIAL STATEMENT SCHEDULES:

Schedules have been omitted because of the absence of conditions under which they are required or because the required information is included in the financial statements or notes thereto.

(3) EXHIBITS:

3.1	Certificate of Incorporation, as amended.*(1)
3.2	Bylaws.*(1)
4.1	Specimen Common Stock Certificate.*(1)
10.1	Employment Agreement, dated April 1, 1997, between the Company and Dr. Leonard Bell.*(2)
10.2	Employment Agreement, dated October 22, 1997, between the Company and David W. Keiser.*(3)
10.3	Employment Agreement, dated October 22, 1997, between the Company and Dr. Stephen P. Squinto.*(3)
10.4	Employment Agreement, dated October 22, 1997, between the Company and Dr. Louis A. Matis.*(3)
10.5	Employment Agreement, dated July 1993, between the Company and Dr. James A. Wilkins, as amended.*(1)
10.6	Administrative Facility Lease, dated August 23, 1995, between the Company and Science Park Development Corporation.*(1)
10.7	Research and Development Facility Lease, dated August 23, 1995, between the Company and Science Park Development Corporation.*(1)
10.8	Option Agreement, dated April 1, 1992 between the Company and Dr. Leonard Bell.*(1)
10.9	Company's 1992 Stock Option Plan, as amended.*(4)
10.10	Company's 1992 Stock Option Plan for Outside Directors, as amended.*(5)
10.11	Form of Investor Rights Agreement, dated December 23, 1994, between the Company and the purchasers of the Company's Series A Preferred Stock, as amended.*(1)
10.12	Exclusive License Agreement dated as of June 19, 1992 among the Company, Yale University and Oklahoma Medical Research Foundation.*(1)+
10.13	License Agreement dated as of September 30, 1992 between the Company and Yale University, as amended July 2, 1993.*(1)+
10.14	License Agreement dated as of August 1, 1993 between the Company and Biotechnology Research and Development Corporation ("BRDC"), as amended as of July 1, 1995.*(1)+
10.15	License Agreement dated January 25, 1994 between the Company and The Austin Research Institute.*(1)+

10.16	Exclusive Patent License Agreement dated April 21, 1994 between the Company and the National Institutes of Health.*(1)+
10.17	License Agreement dated July 22, 1994 between the Company and The Austin Research Institute.*(1)+
10.18	License Agreement dated as of January 10, 1995 between the Company and Yale University.*(1)+
10.19	Advanced Technology Program ("ATP"), Cooperative Agreement 70NANB5H, National Institute of Standards and Technology, entitled "Universal Donor Organs for Transplantation," dated September 15, 1995.*(1)+
10.20	U.S. Department of Health and Human Services, National Heart, Lung and Book Institute, Small Business Research Program, Phase II Grant Application, entitled "Role of Complement Activation in Cardiopulmonary Bypass," dated December 14, 1994; and Notice of Grant Award dated September 21, 1995.*(3)+
10.21	Agreement to be Bound by Master Agreement dated as of August 1, 1993 between the Company and BRDC.*(1)
10.22	Research and Development Facility Lease, dated April 1, 1996, between the Company and Science Park Development Corporation.*(6)
10.23	License Agreement dated March 27, 1996 between the Company and Medical Research Council.*(6)+
10.24	License Agreement dated May 8, 1996 between the Company and Enzon, Inc.*(6)+
10.25	Stock Purchase Agreement dated September 8, 1997 by and between the Company and Biotech Target S.A. *(7)+
10.26	Stock Purchase Agreement dated March 4, 1998 by and between the Company and Biotech Target S.A. *(7)+
10.27	Asset Purchase Agreement dated as of February 9, 1999 between the Company and United States Surgical Corporation.
10.28	Collaboration Agreement dated January 25, 1999 between the Company and The Procter & Gamble Company, as amended.+
10.29	Letter agreement dated September 14, 1999 between the Company and Leonard Bell.*(8)
23.1	Consent of Arthur Andersen LLP.*(8)
27.1	Financial Data Schedule.*(8)
99.1	Risk Factors.*(8)

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* Previously filed.

(1) Incorporated by reference to the Company's Registration Statement on Form S-1 (Reg. No. 333-00202).

(2) Incorporated by reference to the Company's Amendment No. 1 to Registration Statement on Form S-1 (Reg. No. 333-19905) filed on April 4, 1997.

(3) Incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 1997.

(4) Incorporated by reference to the Company's Registration Statement on Form S-8 (Reg. No. 333-71879) filed on February 5, 1999.

(5) Incorporated by reference to the Company's Registration Statement on Form S-8 (Reg. No. 333-71985) filed on February 8, 1999.

(6) Incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 1996.

(7) Incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 1998.

(8) Incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 1999.

+ Confidential treatment was granted for portions of such document.

(B) REPORTS ON FORM 8-K:

Current Report on Form 8-K dated May 25, 1999 relating to the election of Alvin S. Parven to the Company's Board of Directors.

Current Report on Form 8-K dated September 24, 1999 relating to the election of Jerry T. Jackson and R. Douglas Norby to the Company's Board of Directors.

(C) EXHIBITS:

See (a) (3) above.

(D) FINANCIAL STATEMENT SCHEDULES:

See (a) (2) above.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this amended report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALEXION PHARMACEUTICALS, INC.

By: /s/ LEONARD BELL

Leonard Bell, M.D.
PRESIDENT, CHIEF EXECUTIVE OFFICER,
SECRETARY AND TREASURER

Exhibit 10.27

ASSET PURCHASE AGREEMENT

by and between

UNITED STATES SURGICAL CORPORATION, and
CFC ASSETS CORPORATION

as Sellers, and

COLUMBUS FARMING CORPORATION, and
ALEXION PHARMACEUTICALS, INC.

as Purchasers

Dated as of February 9, 1999

ASSET PURCHASE AND REVERSION AGREEMENT

This Asset Purchase and Reversion Agreement (the "Agreement"), dated as of February 9, 1999, is by and between United States Surgical Corporation (hereinafter "USSC"), a corporation organized and existing under the laws of the State of Delaware and having principal offices at 150 Glover Avenue, Norwalk, Connecticut, CFC Asset Corporation (hereinafter "CAC"), a corporation organized and existing under the laws of the State of Delaware and having principal offices at 150 Glover Avenue, Norwalk, Connecticut (USSC and CAC hereinafter collectively referred to as the "Sellers"), and Alexion Pharmaceuticals, Inc., a corporation organized and existing under the laws of the State of Delaware and having its principal office at 25 Science Park, Suite 360, New Haven, CT 06511 (hereinafter referred to as "Alexion"), and Columbus Farming Corporation (hereinafter "CFC"), a corporation organized and existing under the laws of the State of New York and having principal offices at 304 Stone House Road, Sherburne, New York 13460 (Alexion and CFC hereinafter collectively referred to as the "Purchasers") (Sellers and Purchasers collectively hereinafter referred to as the "Parties"). Capitalized terms used in this Agreement shall have the meanings given to them upon their first use or in Section 16 hereof.

WITNESSETH

WHEREAS, USSC has been engaged in the business of the design, manufacture, distribution and/or sale of medical devices, and has invested in technologies in the field of xenotransplantation; and

WHEREAS, USSC holds licenses to certain intellectual property used by Sellers in the said field; and

WHEREAS, USSC and Alexion have worked cooperatively in the development of such xenotransplantation technologies, but USSC has decided to concentrate on certain core businesses and therefore Sellers desire to divest themselves of their business, properties and assets heretofore or currently used in connection with their xenotransplantation business (the "Business"); and

WHEREAS, Sellers desire to sell and the CFC desires to buy, on the terms and conditions set forth in this Agreement, the assets of the Business; and USSC and Alexion have agreed that the licenses to certain intellectual property granted by Alexion to USSC shall terminate and the technology and rights revert to Alexion or shall otherwise be transferred to Alexion, all as set forth herein.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements hereinafter contained, the parties hereto agree as follows:

Section 1. Purchase and Sale of Purchased Assets.

(a) Subject to and upon the terms and conditions of this Agreement, the Sellers covenant and agree to sell, assign, transfer and convey to the Purchasers and the CFC agree to purchase from the Sellers, on the Closing Date (as hereinafter defined), the assets of the Business which are listed below:

(i) The land (with the buildings and improvements thereon) described in Schedule l(a)(i) hereto which the Parties agree shall be conveyed to CFC as of the Closing Date;

(ii) All machinery and equipment, fixtures, furniture, furnishings, tooting and instruments, which are used exclusively in the Business, including without limitation, assets that are listed on Schedule l(a)(ii) hereto and any other assets used exclusively in the Business acquired by the Sellers from the date hereof to the Closing Date which the Parties agree shall be transferred to CFC as of the Closing Date;

(iii) All of the Sellers' inventories and supplies including, without limitation, raw materials, work-in-process and finished goods related to the Business, (the "Inventory" except that "Inventory," shall be deemed not to include livestock and biological materials which is part of the "Licensed Technology" (hereinafter defined)), and the Parties agree that the Inventory shall be transferred to CFC as of the Closing Date;

(iv) All Sellers' interest in the corporate name "Columbus Farming Corporation", as well as CAC's post office box and telephone and facsimile numbers shall be transferred to CFC as of the Closing Date;

(v) All rights and privileges of the Sellers under and pursuant to any contracts, leases, licenses, and agreements to the extent incident to and relating exclusively to the Business, all of which in an amount greater than $5,000 are listed in Schedule l(a)(v) hereto, and any such contracts, leases, licenses and agreements which are entered into in the ordinary course of the Business from the date hereof to the Closing Date, to the extent that such contracts are uncompleted and outstanding because, in the case of purchase contracts, services have not been rendered to the Sellers or products or supplies have not been received by the Sellers prior to the Closing Date, and, in the case of the sales contracts, products have not been shipped by the Sellers prior to the Closing Date shall be transferred to CFC as of the Closing Date;

(vi) All supplier lists, books, records and papers (1) of the Sellers relaxing exclusively to the Business; and (2) of CAC; shall be transferred to CFC as of the Closing Date except to the extent they are part of the "Licensed Technology".

The items of property referred to in Sections l(a)(i) through l(a)(vi) above, excluding the items described in Section 1(b) below, are hereinafter collectively referred to as the "Purchased Assets".

(b) Excluded Assets. "Licensed Technology" (hereinafter defined) is excluded from the definition of "Purchased Assets". Excluded from this sale and from the definition of "Purchased Assets" is (i) the Adpro microwave transmitter and related equipment located at CAC's Sherburne, NY facility, and ii) all know-how specific to Sellers bioabsorbable compositions including, but not limited to, the chemistry, formulation or composition of polymers developed, acquired or licensed by USSC, specifically including those containing lysine diisocyanate (referred to as the "Bioabsorbable Know-how").

Section 2. Assumption of Liabilities: Termination of Prior Agreement.

I. Assumption of Liabilities.

(a) Except as set forth in Section 2 (b) below, CFC shall assume any and all liabilities of the Sellers related exclusively to the Business set forth in clauses (i), (ii), (iii) and (iv) below (collectively, the "Assumed Liabilities"):

(i) The obligations of the Sellers under the contracts described in Schedule l(a)(v) and the contracts which are entered into in the ordinary course of the Business and consistent with past practices from the date hereof to the Closing Date to the extent that such contacts are uncompleted and outstanding because, in the ease of purchase contracts, services have not been rendered to the Sellers or products or supplies have not been received by the Sellers, as the case may be, prior to the Closing Date and, in the case of sales contracts, products have nor been shipped by the Sellers prior to the Closing Date;

(ii) The obligations of USSC under National Institute of Standards and Technology Cooperative Agreement No. 70NANB7H3065 (referred to as the "NIST Agreement").

(iii) The obligations and liabilities, including product liabilities, relating to products manufactured or sold by Purchasers after the date of Closing and relating to the Business.

(iv) All other liabilities and obligations arising out of or resulting from the conduct of the Business after the date of the Closing.

(b) Accounts and other payables arising out of the conduct of the Business are specifically not assumed by the Purchasers and will be paid by Sellers when due.

(c) (i) To the extent that the assignment of any contract or any license, permit, approval or qualification issued or to be issued by any government or agency or instrumentality thereof relating to the Business or the Purchased Assets including, without limitation, the Permits (defined below) to be assigned to the CFC or Alexion pursuant to this Agreement shall require the consent of any other party, this Agreement shall not constitute a contract to assign the same if an attempted assignment would constitute a breach thereof. The Sellers shall use its reasonable commercial efforts, and the CFC or Alexion shall cooperate where appropriate, to obtain any consent necessary to any such assignment. If any such consent is not obtained, then the Sellers shall cooperate with the CFC and Alexion in any reasonable arrangement requested by CFC or Alexion designed to provide to the Purchasers the benefits under any such contract license, permit, approval or qualification and the Permits, including enforcement of any and all rights of the Sellers against the other party thereto arising out of breach or cancellation thereof by such other party or otherwise.

(ii) Seller agrees to cooperate to the extent reasonably necessary to obtain approval of an Assignment of Seller's interest in the NIST Agreement to Alexion. This includes, without limitation, executing of any letters requested by Alexion directed to persons or entities designated by Alexion indicating that Sellers will no longer involved in the performance of the NIST Agreement and that the performance of its obligations will be undertaken by Alexion. Sellers shall also execute any other letters Alexion reasonably requires to obtain approval of the assignment of the NIST Agreement to Alexion.

(d) Obligations of the Sellers relating to the Business but not assumed by Purchasers herein shall constitute the "Excluded Liabilities", which shall remain the responsibility of the Sellers after the Closing and shall not be obligations of the Purchasers.

II. Termination of Prior Agreement.

(a) "Licensed Technology" shall mean:

(i) To the extent that any transferable rights currently obtain, all U.S. and foreign letters patent and patent applications of the Sellers (including all licenses with respect thereto), and Sellers' right, title and interest in all reissues, divisions, continuations-in-part, extensions thereof, and any other U.S. or foreign letters patent or patent applications

claiming priority therefrom, and all licenses, technology, know-how, technical information, inventions, research records and other documentation, formulae, processes, techniques, technical information, manufacturing and engineering drawings and information and trade secrets; as set forth in any of subsections A and B, as follows:

(A) all that are being used exclusively in or relate exclusively to the Business; and

(B) all that are listed on Schedule 2 II (a)(i) hereto;

(ii) All rights and privileges of the Sellers under and pursuant to the NIST Agreement, and all notebooks, data, knowledge and records (in whatever media) relating to the research conducted under said NIST Agreement and all results of the research conducted under said NIST Agreement (excluding Bioabsorbable Know-how);

(iii) livestock and biological materials; and

(iv) all rights, privileges, licenses, and assets granted or conveyed to USSC, including without limitation all licenses granted pursuant to the Joint Development Agreement, all assets and rights transferred to USSC pursuant to the Amendment to the Joint Development Agreement dated September 30, 1997, USSC Pigs referred to therein, and the Germline Constituents referred to therein.

(b) Alexion and USSC hereby terminate their Joint Development Agreement dated as of July 31, 1995, as amended in the Amendment to Joint Development Agreement dated September 30, 1997 and Amendment No. 2 to Joint Development Agreement dated January 8, 1998 (as so amended, the "Joint Development Agreement"), and shall at Closing execute mutual general releases releasing each of them from any obligations whatsoever under or arising from said Joint Development Agreement, as amended, except for the obligations set forth in Article 5 thereof. It is the intention of the parties by this Agreement that the Licensed Technology shall revert and are hereby transferred to and shall become the sole and exclusive property of Alexion, and USSC shall have no further rights or obligations with respect thereto other than the obligations set forth in Article 5 of the Joint Development Agreement.

(c) To the extent that Sellers have any interest in any of the Licensed Technology which does not revert to Alexion as a result the termination of the Joint Development Agreement, the same shall nevertheless be deemed transferred and assigned to Alexion as of the Closing Date.

Section 3. Purchase Price.

Subject to and upon the terms and conditions of this Agreement, and as full and complete consideration for the sale of the assets set forth herein, Purchasers hereby agrees to pay to USSC $3,920,307.96 PLUS the assumption of the Assumed Liabilities (the "Purchase Price"). Notwithstanding anything in this Agreement to the contrary, no portion of the Purchase Price shall be deemed payable by Alexion, and no portion of the Purchase Price shall be deemed allocable to any property reverting, transferred, or to be transferred to Alexion pursuant to this Agreement.

Section 4. Closing and Payment of Purchase Price.

(a) A closing (the "Closing") shall take place at 10:00 a.m. on February 9, 1999 at the offices of the Sellers at 150 Glover Avenue, Norwalk, CT 06851 (the "Closing Date").

(b) (i) On the Closing Date, the Sellers shall transfer to CFC by all necessary and appropriate bills of sale, deeds, assignments and other instruments, all right, title and interest of the Sellers in and to the Purchased Assets (and the Licensed Technology shall revert to and be transferred and assigned to Alexion) free and clear of all Liens, claims and encumbrances whatsoever (other than the "Irwin Lien", as hereinafter defined), and CFC shall deliver to USSC a promissory note (the "Note") in the amount of $3,920,307.96 (the form of which is attached hereto as Exhibit B), a mortgage on the real estate portion of the Purchased Assets (the form of which is attached hereto as Exhibit C), and a security agreement and appropriate UCC financing statements on the tangible personal property portion of the Purchased Assets (the forms of which are attached hereto as Exhibits D and E).

(ii) UCC # 990050 in which the secured party is the United States of America c/o Farm Service Agency is referred to as the "Irwin Lien." Sellers covenant that Sellers, at Sellers' sole cost and expense, will cause the Irwin Lien to be removed from the Purchased Assets on or before the sixtieth day after the Closing Date unless CFC, in its sole discretion, agrees that the Irwin Lien may remain in connection with an agreement reached between CFC and the debtors described in the Irwin Lien.

(iii) If a certificate of occupancy has not yet been issued for any building or improvement on the real property described on Schedule l(a)(i), Sellers shall, at Sellers' sole cost and expense, cause it to be issued on or before the sixtieth day after the date of this Agreement.

(c) On or before the date of the Closing, the Sellers shall:

(i) deliver to the Purchasers at the Sellers' Sherburne, New York facility physical possession of all tangible Purchased Assets of the Business and Licensed Technology located therein;

(ii) make available for pick-up by the Buyers such of the Purchased Assets as are located at USSC's facility in North Haven, Connecticut;

(iii) if CFC has so requested, deliver letters to third parties from whom CAC has contracted for goods and services indicating that the contracts have been assigned to CFC and indicating that rights and warranties of CAC have been assigned to CFC;

(iv) deliver share of stock of Agway, Inc. properly transferred to CFC free and clear of all Liens;

(v) deliver titles to any vehicles, machinery or equipment for which titles have been issued which are part of the Purchased Assets properly transferred to CFC; and

(vi) deliver any additional documents and make any payments as are required to transfer title from Sellers to Purchasers of any Purchased Assets and Licensed Technology as required pursuant to this Agreement fully paid and free and clear of any liens and encumbrances (except with respect to the Irwin Lien).

(vii) deliver the "Estimated Payables Amount" reflected on Schedule 4(e)(vii) to the trust account of Purchasers' attorneys', Golenbock, Eiseman, Assor & Bell via wire transfer. Purchasers attorneys shall be deemed authorized to disburse the "Estimated Payables Amount" to CFC on the date of the Closing and thereafter shall be free of any and all responsibilities with respect to such amount.

(d) (i) Schedule 4(c)(vii) sets forth all of the payables which Sellers have estimated as arising from the purchase of assets by Sellers in connection with the Business on or before the date of the Closing and the operation of the Business on or before the date of the Closing. CFC shall apply the Estimated Payables Amount to the payment of the payables of CAC and/or USSC arising from the purchase of assets by one or both of them in connection with the Business on or before the date of the Closing and the operation of the Business on or before the date of the Closing. CFC may also elect to pay such payables out of its own funds, but CFC is not obligated to do so. To the extent such payables are paid by CFC out of its own funds, the payment shall be reimbursed by Sellers. Notwithstanding anything herein to the contrary, Purchasers do not

assume responsibility for the payment of any of the payables of Sellers except to the extent CFC has agreed to apply the Estimated Payables Amount received by it to the payables. If the Estimated Payables Amount is insufficient to pay such payables, Sellers agree to pay the balance of the payables and to reimburse CFC for any portion of the balance paid by CFC except for the payables to Lok-n-Log, Double L Group, and Cool Care Mechanical.

(ii) On or before the sixtieth day after the date of the Closing (the "Reconciliation Date") CFC shall submit to Sellers a schedule of the payments made from the Estimated Payables Amount and the bills as CFC shall have received supporting the payments made. If the aggregate of the amounts paid by CFC on account of the payables is less than the Estimated Payables Amount, CFC shall pay USSC the difference on or before the tenth day after the Reconciliation Date. If the aggregate of the amounts paid by CFC on account of the payables is more than the Estimated Payables Amount, USSC shall pay CFC the difference on or before the tenth day after the Reconciliation Date. If USSC fails to pay CFC any amounts owed CFC in accordance with this subsection (d), the same shall be a credit to CFC which CFC may apply against payments due USSC pursuant to the Note until the credit has been exhausted.

(e) As of the date of the Closing, all warranties inuring to the benefit of CAC from any contractors, manufacturers, and/or suppliers shall be deemed assigned to CFC. At any time after the date of the Closing, if CFC so requests, Sellers shall deliver letters to third parties from whom CAC has contracted for goods and services in connection with the Business indicating that the contracts have been assigned to CFC and indicating that rights and warranties of CAC have been assigned to CFC.

Section 5. Representations and Warranties of the Sellers.

The Sellers hereby represent and warrant to the Purchasers as follows:

(a) Due Organization: The Sellers are corporations duly organized, validly existing and in good standing under the laws of the state of Delaware, with all requisite power and authority to own, lease and operate their properties, to carry on their businesses as presently conducted by them, to enter into this Agreement and the other instruments and agreements of the Sellers provided for herein, and to consummate the transactions contemplated hereby and thereby.

(b) Authorization. The execution and delivery by the Sellers of this Agreement and the other instruments and agreements of the Sellers provided for herein, and the performance of their obligations hereunder and thereunder, have been duly and validly authorized by all necessary action on their parts, and this Agreement and all other such instruments and agreements delivered or to be delivered by the Sellers in connection wit the transactions

contemplated hereby are, or (when executed and delivered in accordance herewith) will be, the legal, valid and binding obligations of the Sellers, enforceable against them in accordance with their respective terms.

(c) Non-Contravention. Neither the execution and delivery by the Sellers of this Agreement, nor the performance by them of their obligations hereunder and thereunder will, or with the giving of notice or the lapse of time, or both, would:

(i) conflict with, result in a breach of, or constitute a default under, any provision of the organizational documents of the Sellers or of any contract, indenture, lease, sublease, loan agreement, restriction, Lien or other obligation or liability to which the Sellers are parties or by which either of them are bound, or result in or create in any party the right to accelerate, terminate, modify or cancel any contract, license, indenture, lease, sublease or loan agreement to which the Sellers are parties or by which they, or any of their properties or assets, is affected or bound;

(ii) violate any order, writ, injunction, decree, law, statute, rule or regulation applicable to the Sellers; or

(iii) result in the creation or imposition of any Lien upon any of the Purchased Assets or Licensed Technology.

(d) Asset Listing. The Sellers have delivered to the Purchasers a true and complete listing of the purchase price of the machinery and equipment related to the Business dated December 31, 1998 (the "Asset Listing"), which is attached hereto as Exhibit A. The Asset Listing has been prepared from the books and records of the Sellers and fairly presents such assets at the specified date, and there have been no material changes in such Asset Listing since said date.

(e) Title to Purchased Assets; Condition of Purchased Assets. The Sellers have good and marketable title to and possession of all the Purchased Assets and the Licensed Technology, free and clear of all Liens; and, to the best of Sellers' knowledge and belief, no interest in or right to any such Purchased Assets or the Licensed Technology is held, legally or beneficially by any person or entity other than the Sellers. Purchased Assets have been properly maintained and are in good operating condition, reasonable wear and tear excepted, and there exists no outstanding notice of any violation of any statute relating to them or to the Licensed Technology.

(g) Intellectual Property. Schedule 2 II (a)(i) sets forth a complete and accurate list of all of the United States and foreign patents, and/or applications therefor that are owned, possessed or held by the Sellers and used in the conduct of the Business (the "Intellectual

Property"). Unless otherwise indicated in such Schedule 2 II (a)(i), to the best of Sellers' knowledge and belief, the Sellers exclusively owns the entire right, title and interest in and to each item of Intellectual Property free and clear of the rights of any other persons or entities (other than Purchasers).

(h) Contracts. Schedule 1(a)(v) lists all material contracts, leases, agreements, letters of intent and commitments, whether written or oral, of an amount equal to or greater than $5,000, to which the Sellers are a party or by which the Sellers or any of the Purchased Assets or the Licensed Technology are bound and which relate to the conduct of the Business (collectively, the "Contracts"). Except as set forth in such Schedule 1(a)(v), (i) all of the Contracts were entered into in the ordinary course of the Business, (ii) all of the Contracts are currently in full force and effect, binding upon the parties thereto, and enforceable against them in accordance with their terms, (iii) to the best of Sellers' knowledge, the Sellers are complying in full with the terms and provisions thereof, (iv) to the best knowledge of the Sellers, the other parties to all of the Contracts are complying in full with the terms and provisions thereof, (v) there are no progress payments, advances, or arrearages in connection with any of the Contacts except as set forth on Schedule 1 (a)(v), and (vi) the consummation of the transactions contemplated hereby will not impair any right or privilege enjoyed by the Sellers or the Purchasers under any Contract, or give rise to any right of termination or cancellation thereunder or diminution of rights.

(i) Consents of Third Parties. No consent, approval or agreement of any Person, party, court, government or entity is required to be obtained by the Sellers in connection with the execution and delivery of this Agreement or the other instruments or agreements provided herein or therein, or the consummation of the transactions contemplated hereby or thereby.

(j) Litigation. There is no litigation, arbitration, claim, governmental or other investigation or proceeding (formal or informal) pending or, to the best knowledge of the Sellers, threatened with respect to the Business, or the Purchased Assets, or the Licensed Technology, or the transactions contemplated hereby and to the best knowledge of the Sellers there exists no basis or grounds for any of the foregoing. To the best knowledge of the Sellers, the Sellers are not in violation of, or in default with respect to, any order, judgment or decree applicable to the Business or the Purchased Assets or the Licensed Technology, and are not required to take any remedial action in order to avoid such violation or default.

(k) Legal Matters. The Sellers are in compliance with all applicable laws, including, without limitation, all environmental laws and other laws and regulations of governmental agencies in connection with the Business and the real property described in Schedule 1 (a)(i) and the buildings and improvements thereon, except for any failure to comply which individually or in the aggregate would not have a material adverse effect on the business, properties, assets or condition (financial or otherwise) of CAC or CFC.

(l) No Broker. No agent, broker, person or firm acting on behalf of the Sellers, or under its authority, is or will be entitled to a financial advisory fee, brokerage commission, finder's fee or like payment in connection with this Agreement or any of the transactions contemplated hereby.

(m) New York Lien Law. Seller shall comply wit its obligations pursuant to Section 13 of the New York Lien Law.

(n) NIST Agreement. Sellers have received no notice of default with respect to the NIST Agreement, and to the best of Seller's knowledge, Sellers are not in default of any of their obligations pursuant to the NIST Agreement.

(o) Franchise Taxes. All franchise taxes due to date for USSC and CAC have been paid to date. If they have not, Sellers promise to pay them.

(p) Certificates of Occupancy. All work performed in connection with any construction on the real property described on Schedule l(a)(i), including without limitation, work performed by Westcott Simpson and its subcontractors and materials supplied by its materialmen have as been fully completed and paid for.

(q) Liens. The Licensed Technology and the Purchased Assets are not subject to any lien or security interest (excluding the Irwin Lien).

(r) Residents. No person resides or has the right to reside on the real property described on Schedule 1(a)(i) except that John Roma, an employee of CAC, has been required to live on the real property as a part of his employment through the date of this Closing. John Roma has no tenancy in or continuing right to reside on the real property after the termination of his employment by CAC as of the Closing Date.

Section 6. Representations and Warranties of the Purchasers. The Purchasers represents and warrants to the Sellers as follows:

(a) Due Organization. Alexion is a corporation duly organized, validly existing and in good standing under the laws of Delaware with all requisite corporate power and authority to enter into this Agreement and the other instruments and agreements to be delivered by it hereunder, and to consummate the transactions contemplated hereby and thereby. CFC is a corporation duly organized, validly existing and in good standing under the laws of New York

with all requisite corporate power and authority to enter into this Agreement and the other instruments and agreements to be delivered by it hereunder, and to consummate the transactions contemplated hereby and thereby.

(b) Authorization. The execution and delivery by the Purchasers of this Agreement and the other instruments and agreements of the Purchasers provided for herein, and the performance of their obligations hereunder and thereunder, have been duly and validly authorized by all necessary action on their parts, and this Agreement and all other such instruments and agreements delivered or to be delivered by the Purchasers in connection with the transactions contemplated hereby are, or (when executed and delivered in accordance herewith) will be, the legal, valid and binding obligations of the Purchasers, enforceable against them in accordance with their respective terms.

(c) Non-Contravention. Neither the execution and delivery of this Agreement by the Purchasers nor the performance by the Purchasers of their obligations hereunder and thereunder will, or with the giving of notice or the lapse of time, or both, would:

(i) conflict with, result in a breach of, or constitute a default under, any provision of the Purchasers' charters or by-laws, or of any contract, indenture, lease, sublease, loan agreement, Lien or other obligation or liability to which the Purchasers are parties or by which they are bound; or

(ii) violate any order, writ, injunction, decree, law, statute, rule or regulation applicable to or by which they or their properties are bound.

(d) Litigation. There is no litigation, arbitration, claim, governmental or other investigation or proceeding (formal or informal) involving the transactions contemplated hereby pending or, to the best knowledge of the Purchasers, threatened, against the Purchasers and to the best knowledge of the Purchasers there exists no bases or grounds for any of the foregoing.

(e) No Broker. No agent broker, person or firm acting on behalf of the Purchasers or under their authority, is or will be entitled to a financial advisory fee, brokerage commission, finder's fee or like payment in connection with this Agreement or any of the transactions contemplated hereby.

(f) Consents of Third Parties. No consent, approval or agreement of any Person, party, court, government or entity is required to be obtained by the Purchasers in connection with the execution and delivery of this Agreement, or the other instruments and agreements provided herein or the consummation of the transactions contemplated hereby.

Section 7. Covenants of the Sellers Pending the Closing.

The Sellers covenant and agree that between the date of this Agreement and the Closing or termination of this Agreement prior to Closing:

(a) The Sellers will not take any action, or omit to take any action, which action or omission would make any of the representations and warranties of the Sellers untrue or incorrect in any material respect at the Closing Date, and will not undertake any course of action inconsistent with this Agreement, or which would render any of the conditions to Closing by the Purchasers unable to be satisfied at or prior to the Closing Date.

(b) The Purchasers and their officers, employees, and other agents, including accountants and counsel, shall have reasonable access to all of the books of account, records, permits, franchises, plans and other business records of the Sellers, at reasonable times during business hours, for the purpose of examining and inspecting the same and making copies of and extracts from such records and documents.

(c) The Sellers will carry on the Business in the ordinary course, consistent with past practice. The Sellers will make no material change in the Purchased Assets or Licensed Technology, its business, contracts, accounting practices, methods of operation or management of its business and properties relating to the Business without the Purchasers' prior written consent.

(d) The Sellers will use all reasonable efforts to (i) promptly make all filings and seek to obtain all authorizations required under the Sellers' Contracts and applicable laws with respect to the transactions contemplated hereby and will cooperate with the Purchasers with respect thereto, (ii) promptly take or cause to be taken all other actions necessary, proper or appropriate to satisfy the conditions set forth in Section 9 and to consummate and make effective the transactions contemplated by this Agreement on the terms and conditions set forth herein and therein as soon as practicable, and (iii) not take any action that would reasonably be expected to impair the ability of the Sellers to consummate the transactions contemplated by this Agreement at the earliest practicable time, including without limitation any action that would impair efforts to secure any required authorizations for such transactions. The reasonable efforts of the Sellers shall include, without limitation, good faith response, in cooperation with the Purchasers, to all requests for information, documentary or otherwise, by any governmental agency.

Section 8. Covenants of the Purchasers Pending the Closing.

The Purchasers hereby covenant and agree that between the date of this Agreement and the Closing or termination of this Agreement prior to the Closing:

(a) The Purchasers will not take any action, or omit to take any action, which action or omission would make any of their representations and warranties untrue or incorrect in any material respect at the Closing Date, and will not undertake any course of action inconsistent with this Agreement, or which would render any of the conditions to Closing by the Sellers unable to be satisfied at or prior to the Closing Date.

(b) The Purchasers will use all reasonable efforts to (i) promptly make all filings and seek to obtain all authorizations required to be made by the Purchasers under applicable laws with respect to the transactions contemplated hereby and will cooperate with the Sellers with respect thereto, (ii) promptly take or cause to be taken all other actions necessary, proper or appropriate to satisfy the conditions set forth in Section 10 and to consummate and make effective the transactions contemplated by this Agreement on the terms and conditions set forth herein and therein as soon as practicable, and (iii) not take any action that would reasonably be expected to impair their ability to consummate the transactions contemplated by this Agreement at the earliest practicable time, including without limitation any action that would impair efforts to secure any required authorizations for such transactions. The reasonable efforts of the Purchasers shall include, without limitation, good faith response, in cooperation with the Sellers, to all requests for information, documentary or otherwise, by any governmental agency.

Section 9. Conditions Precedent to Closing by the Sellers.

The obligations of the Sellers to sell the Purchased Assets and to consummate the transactions contemplated hereby are subject, at their sole option, to the fulfillment prior to or at the Closing of each of the following conditions:

(a) All of the representations and warranties made by the Purchasers in this Agreement shall be true and correct in all respects both on and as of the date of this Agreement and on and as of the Closing Date.

(b) The Purchasers shall have delivered the consideration set forth in Section 4(b)(i) to the Sellers.

(c) All consents, approvals, authorizations and registrations, qualifications or filings, required to have been made or obtained by the Purchasers to permit the consummation by the purchasers of the transactions contemplated hereby shall have been made or obtained, and all required authorizations, consents and approvals of third parties to permit the consummation of the transactions contemplated hereby shall have been obtained.

(d) No action or proceeding before a court or other governmental body shall have been instituted or threatened by any government or agency thereof, or by any other third party, to restrain or prohibit the consummation of any of the transactions contemplated hereby.

Section 10. Conditions Precedent to Closing by the Purchasers.

The obligations of the Purchasers to purchase the Purchased Assets and to consummate the transactions contemplated hereby are subject, at its sole option, to the fulfillment prior to or at the Closing of each of the following conditions:

(a) All of the representations and warranties made by the Sellers in this Agreement shall be true and correct in all respects both on and as of the date of this Agreement and on and as of the Closing Date.

(b) All consents, approvals and authorizations and registrations, qualifications or filings, required to have been made or obtained by the Sellers to permit the consummation by the Sellers of the transactions contemplated hereby shall have been made or obtained, and all required authorizations, consents and approvals of third parties to permit the consummation by the Sellers of the transactions contemplated hereby shall have been obtained, except as otherwise specified herein. All required consents, approvals and authorizations of third parties to permit the consummation by the Purchasers of the transactions contemplated by this Agreement shall have been obtained, except as otherwise specified herein.

(c) No action or proceeding before a court or other governmental body shall have been instituted or threatened by any government or agency thereof, or by any other third party, to restrain or prohibit the consummation of any of the transactions contemplated hereby.

(d) The Purchasers shall have received from the Sellers appropriate documentation, reasonably satisfactory to the Purchasers, to transfer the Purchased Assets to the Purchasers.

Section II. Indemnification.

(a) The parties shall be entitled to rely upon the representations and warranties of the other parties set forth in this Agreement, and except as otherwise specifically provided herein, such representations and warranties shall survive the Closing and remain in full force and effect for a period of three years after the Closing and shall thereafter expire, except with respect to matters as to which notice has been given to the indemnifying party within three years of the Closing. Notwithstanding the foregoing, warranties and representations relating to title and authority matters shall survive indefinitely.

(b) The Sellers hereby agree to indemnify and hold the Purchasers and their officers, directors, employees, stockholders, agents and representatives, harmless from and against and to pay for any loss, liability, claim, damage or expense (including costs of litigation and reasonable legal fees and expenses) (a "Loss") suffered or incurred by any such indemnified party based upon, arising out of or resulting from any of the following:

(i) Any breach of any representation or warranty of the Sellers contained in this Agreement or any other agreement or document delivered by them pursuant hereto;

(ii) Any breach of any covenant of the Sellers contained in this Agreement or any other agreement or document delivered by it pursuant hereto requiring performance after the Closing Date;

(iii) Noncompliance with any so-called bulk sales law of any state applicable to the transactions contemplated hereby; and

(iv) Excluded Liabilities.

(c) The Purchasers hereby agrees to indemnify the Sellers, and their respective officers, directors, employees, stockholders, agents and representatives, against and hold the Sellers harmless from and against and to pay for any Loss suffered or incurred by the Sellers based upon, arising out of or resulting from any of the following:

(i) Any breach of any representation or warranty of the Purchasers contained in this Agreement or any other agreement, certificate or document delivered by the Purchasers pursuant hereto;

(ii) Any breach of any covenant of the Purchasers contained in this Agreement or any other agreement or document delivered by the Purchasers pursuant hereto; and

(iii) Assumed Liabilities.

(d) Promptly after any person entitled to indemnification under this Section 11 (the "Indemnified Party") has received notice of or has knowledge of any claim against the Indemnified Party by a person not a party to this Agreement (a "Third Person") or the commencement of any action or proceeding by a Third Person, it shall give the other party (the "Indemnifying Party") written notice of such claim or the commencement of such action or proceeding. Such notice shall state the nature and the basis of such claim and a reasonable estimate of the Loss. The Indemnifying Party shall have right to defend, at its own expense and by its own counsel, any such matter so long as the indemnifying Party pursues the same in good

faith and diligently. If the Indemnifying Party undertakes to defend or settle, it shall promptly notify the Indemnified Party of its intention to do so, and the Indemnified Party shall cooperate with the Indemnifying Party and its counsel in the defense thereof and in any settlement thereof provided the settlement consists solely of payment of money by the Indemnifying Party. Such cooperation shall include, but shall not be limited to, furnishing the indemnifying Party with any personnel, books, records or information reasonably requested by the Indemnifying Party that are in the Indemnified Party's possession or control. Notwithstanding the foregoing, the Indemnified Party shall have the right to participate in any matter trough counsel of its own choosing at its own expense (unless there is a conflict of interest that prevents counsel for the Indemnifying Party from representing the Indemnified Party, in which case the Indemnifying Party will reimburse the Indemnified Party for the expenses of its counsel); provided however, that the Indemnifying Party's counsel shall always be lead counsel and shall determine all litigation and settlement steps, strategy and the like, provided, that the Indemnifying Party shall not be entitled to pursue or effect any settlement that involves anything other than the payment of money by the Indemnifying Party. After the Indemnifying Party has notified the Indemnified Party of its intention to undertake to defend or settle any such asserted liability, and for so long as the Indemnifying Party diligently pursues such defense, the Indemnifying Party shall not be liable for any additional legal expenses incurred by the Indemnified Party in connection with any defense or settlement of such asserted liability. If the Indemnifying Party desires to accept a final and complete settlement of any such Third Person claim involving solely the payment of money by the Indemnifying Party, such settlement shall require as an unconditional term thereof that the Third Person deliver to the Indemnified Party a release from all liability in respect of such claim. After Indemnified Party refuses to consent to such settlement, then the Indemnifying Party's liability under this Section with respect to such Third Person's claim shall be limited to the amount so offered in settlement by said Third Person and the Indemnified Party shall reimburse the Indemnifying Party for any additional costs of defense which it subsequently incurs with respect to such claim. If the Indemnifying Party does not undertake to defend such matter to which the Indemnified Party is entitled to indemnification hereunder, or fails to diligently pursue such defense, the Indemnified Party may undertake such defense through counsel of its choice, at the cost and expense of the Indemnifying Party, and the Indemnified Party may settle such matter, and the Indemnifying Party shall reimburse the Indemnified Party for the amount paid in such settlement and any other liabilities or expenses incurred by the Indemnified Party in connection therewith.

(e) Anything to the contrary contained herein notwithstanding, neither party shall be entitled to recovery from the other party with respect to any inaccuracy or breach of any representation or warranty in Sections 5 or 6, hereof, as applicable, unless and until the amount of such Losses suffered, sustained or incurred by the asserting party, or to which such party becomes subject, by reason of such inaccuracy or breach, shall exceed $40,000 calculated on a cumulative basis and not on a per item basis (the "Basket Amount"), and then only with respect

to the excess over the Basket Amount, but in no event shall either party be liable to the other, in each case in an aggregate amount in excess of the Purchase Price; provided, that the Basket Amount shall not be applicable to any representations or warranties with respect to title or authority matters.

Section 12. Termination of Agreement.

(a) This Agreement may be terminated at any time prior to the Closing:

(i) by mutual consent of the parties hereto;

(ii) by the Sellers, on the one hand, or by the Purchasers, on the other hand, in the event of a material breach or default by the other party hereto of any provision of this Agreement and, in the case of a breach or default that is capable of being cured, continuation of such breach or default for a period of 30 days after written notice thereof shall have been given to the breaching party.

(b) Upon termination of this Agreement as provided in paragraph (a) above, all obligations of the parties hereunder shall terminate, but such termination will in no way limit any obligation or liability of any party based on or arising from a breach or default by such party which occurs prior to such termination with respect to any of his or its representations, warranties, covenants or agreements contained in this Agreement. The provisions of this Section 12 and of Sections 16, 17 and 18 shall survive the termination of this Agreement.

Section 13. Additional Covenants and Agreements.

(a) Employee and Employee Benefit Matters.

Employment Status. The Sellers agree that they shall terminate the employment of the Employees (as defined below) as of the date of Closing and that they shall not discourage the Employees from accepting employment with the Purchasers after the date of Closing. The Employees who accept such employment shall become Employees of the Purchasers immediately after the Closing. As used in this Section 13(a), "Employees" shall include all of those employees of the Business, both salaried and hourly, who are listed on Schedule 13(a) hereto. The parties hereto understand and agree that, to the maximum extent permitted by applicable law, such employment shall continue to be employment at will.

(b) Books, Records and Information.

(i) The Purchasers agree that all documents included in the Purchased Assets delivered to the Purchasers by the Sellers pursuant to this Agreement and all documents of the Business shall after the Closing be open for inspection by representatives of the Sellers at any time during regular business hours for reasonable and necessary purposes until such time as documents are destroyed or possession thereof is given to the other party as provided for in Section 13(b)(ii) hereof and that the Sellers may during such period at their expense make such copies thereof as it may reasonably request for preparation of Sellers' tax returns. The Sellers agrees that all documents that are retained by the Sellers after the Closing Date and that are related to the Business (other than tax records of the Sellers) shall be open for inspection by representatives of the Purchasers at any time during regular business hours until such time as documents are destroyed or possession thereof is given up to the other party as provided for in Section 13(b)(ii) hereof and that the Purchasers may during such period at its expense make such copies thereof as they may reasonably request.

(ii) Without limiting the generality of Section 13(b)(i), for a period ending on the sixth anniversary of the Closing Date, neither the Purchasers nor the Sellers shall destroy or give up possession of any item referred to in Section 13(b)(i) hereof without first offering to the other the opportunity, at such other's expense (but without any other payment) to obtain the same. Thereafter each party shall be free to dispose of any such item as it deems fit.

(iii) The Purchasers shall use reasonable efforts to afford the Sellers access to employees who were previously employees of the Sellers, and remain in the employ of the Purchasers and the Sellers shall reasonably request for its proper business purposes, including, without limitation, the defense of legal proceedings. Such access may include interviews or attendance at depositions or legal proceedings. All out-of-pocket expenses reasonably incurred by the Purchasers in connection with this Section 13(b)(iii) shall be paid or promptly reimbursed by the Sellers.

(c) Tax Matters.

(i) Taxes Through Closing Date.

Sellers shall be solely responsible for and shall indemnify and hold harmless Purchasers for all Taxes of CAC for all periods and also with respect to the Business transferred to CFC and the Purchased Assets for or pertaining to all periods up to and including the Closing Date, and which shall be deemed included in "Excluded Liabilities." Purchasers shall be responsible for and indemnify and hold harmless Sellers for all Taxes with respect to the

Purchased Assets for or pertaining to all periods thereafter except that any Taxes imposed upon the ownership of Purchased Assets on a particular date, or similar tax, shall be prorated over the period ending on the Closing Date and the period thereafter. Any claim for indemnification hereunder shall be subject to the procedures set forth in Section II hereof.

(ii) Cooperation and Exchange of Information. Purchasers shall provide Sellers with such cooperation and information as Sellers reasonably may request with respect to the filing of any Return, amended Return or claim for refund, the determination of a liability for Taxes, or a right to refund of Taxes, or the conduct of any audit or other proceeding in respect of Taxes. Such cooperation and information shall include providing copies of all relevant Returns, together with accompanying schedules and related work papers, documents relating to rulings or other determinations by taxing authorities, and records concerning the ownership and tax basis of property, which Purchasers may possess concerning the Business. Purchasers shall make its employees available to Sellers on a mutually convenient basis to provide explanation of any documents or information provided hereunder. Notwithstanding the foregoing, Purchasers shall not be required to prepare any documents, or determine any information not ten in its possession in response to a request under this Section 13(c)(ii) Sellers shall reimburse Purchasers for any reasonable out-of-pocket costs incurred by Purchasers in providing any Return, document or other written information, and shall reimburse Purchasers for any reasonable out-of-pocket costs (excluding regular wages and salaries) of making employees available, upon receipt of reasonable documentation of such costs. Except as otherwise provided in this Agreement, Purchasers shall retain all Returns, schedules and work papers and all material records or other documents relating thereto, until the expiration of the period of time beginning on the Closing Date and ending on the date on which taxes may no longer be assessed under the applicable statutes of limitation, including the period of waivers or extensions thereof Any information obtained under this Section 13(c)(ii) shall be kept confidential, except as may be otherwise necessary in connection with the filing of returns or claims for refund or in conducting any audit or other proceeding.

(iii) Purchasers and the Sellers recognize their mutual obligations pursuant to Section 1060 of the Code to timely file IRS Form 8594 (the "Asset Acquisition Statement") with each of their respective federal income tax returns.

(iv) The Sellers shall pay any transfer tax in connection with the transfer of the real estate component of the Purchased Assets, and the Purchasers shall pay any mortgage recording tax in connection wit the mortgage of the real estate component of the Purchased Assets.

Section 14. Remedies.

The Sellers agree that the Purchased Assets are unique and that the Purchasers will be irreparably harmed in the event that this Agreement, including the obligations of the Sellers to sell and deliver the Purchased Assets to the Purchasers are not specifically enforced. The parties further agree it is impossible to measure in money the damage which will accrue by reason of a refusal by the Sellers to perform such obligations under this Agreement. Therefore, in the event that the Purchasers shall institute any action to enforce such obligations, the Sellers hereby acknowledges that the Purchasers do not have an adequate remedy at law and that injunctive or other equitable relief will not constitute any hardship upon the Sellers.

Section 15. Definitions.

As used in this Agreement, the following terms shall have the meanings ascribed to them below:

(a) "Affiliate" means, when used with reference to a specified party, (i) any entity that, directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the specified party, and (ii) any entity of which the specified party is, directly or indirectly, the owner of an equity interest often (10) percent or more.

(b) "Code" means the Internal Revenue Code of 1986, as amended.

(c) "Lien" means any mortgage, lien, pledge, restriction, charge, security interest, claims, encumbrance, or right, title and interest of others.

(d) "Person" means any individual, general partnership, limited partnership, corporation, joint venture, trust, business trust, cooperative, association or other form of organization.

(e) "To the best of the Sellers' Knowledge" means all information which is currently and actually known by an executive officer or other managerial employee of the Sellers.

Section 16. Confidentiality.

Neither of the parties hereto shall disclose the terms of any non-public confidential information of the other parties hereto or any Affiliate thereof obtained in connection with the proposed transactions hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. The parties and their representatives

shall, for a period of three (3) years from the date hereof, treat all information of the other parties as confidential (except to the extent that such information: (i) is now, or later comes to be, in the public domain, other than through the acts of the receiving party or its representatives in breach of this provision, (ii) can be shown to have been known by the receiving party prior to the time of disclosure to it by the other party, (iii) is later disclosed to the receiving party on a nonconfidential basis by a Person having no obligation to the disclosing party in regard thereto, (iv) is independently developed, as evidenced by written records, by the receiving party, or (v) is required to be disclosed by law.

Section 17. Expenses.

Whether or not the transactions contemplated by this Agreement are consummated, each party will pay its respective expenses, including all fees and expenses of counsel, accountants and other advisors, incurred in connection with the origination, negotiation, execution and performance of this Agreement.

Section 18. Further Assurances.

From time to time after the execution hereof, at the request of the Purchasers and without further consideration, the Sellers shall execute and deliver such other and further instruments of conveyance, assignment, transfer and consent, and take such other action as the Purchasers may reasonably request in connection with the transfer of the Purchased Assets and the business of the Sellers and for the more effective consummation of the transactions contemplated hereby.

Section 19. No Public Announcement.

Neither party shall make, or permit any of its directors, officers, employees, agents, advisors, Affiliates or representatives to make, any press release, public announcement or other public disclosure with respect to the existence of this Agreement or the transactions contemplated hereby or thereby without the prior consent of the other party, except as and to the extent that counsel for such party shall determine that such announcement or disclosure is required by law, rule, regulation or order of any governmental, regulatory or judicial body and provided that the text of any such proposed announcement or disclosure has been timely submitted to the other party for comment and such comments, if timely made, have been considered in good faith.

Section 20. Entire Agreement.

This Agreement (including all attachments hereto) comprise the entire agreement among the parties hereto as to the subject matter hereof and thereof, and supersede all prior agreements

and understandings between them relating thereto. All of the provisions of the Agreement shall survive the Closing except as otherwise provided herein.

Section 21. Amendments and Waivers.

This Agreement may not be amended or modified, except by a writing executed by the parties hereto. No extension of time for, or waiver of the performance of, any obligation of any party hereto shall be effective unless it is made in a writing signed by the party granting such extension or waiver. Unless it specifically states otherwise, no waiver shall constitute or be construed as a waiver of any subsequent breach or non-performance.

Section 22. Notices.

Any notice, request, demand, waiver, consent, approval or other communication which is required or permitted to be given pursuant to this Agreement shall be in writing and shall be given in person or by telecopy or by certified or registered first-class mail or internationally recognized express courier delivery service addressed as follows:

If to the Sellers: Columbus Farming Corporation
c/o United States Surgical Corporation
150 Glover Avenue
Norwalk CT 06S56
Attention: Legal Department

If to the Purchasers: Alexion Pharmaceuticals, Inc.
25 Science Park, Suite 360
New Haven, CT 06511
Attention: Executive V.P. & C.E.O.

Any such address may be changed by any party by written notice to the other parties given in accordance herewith. Any notice shall be deemed to be given three (3) days after being placed for delivery so addressed with postage or other charges prepaid, provided, however, that any written notice actually received by any party in less than three (3) days shall be deemed to be given, for all purposes of this Agreement, at the time it is received.

Section 23. Governing Law.

This Agreement is made and shall be construed in accordance with the laws of the State of New York without giving effect to the conflict of laws principles thereof

Section 24. Successors and Assigns.

This Agreement shall inure to the benefit of, and be binding upon and enforceable against, the respective successors and assigns of the parties hereto.

Section 25. Captions.

Section headings and other captions are supplied herein for convenience only and shall not be deemed a part of this Agreement for any purpose.

Section 26. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original for all purposes, and all of which together shall constitute one agreement.

Section 27. Severability.

If any term or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be overly broad, invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is overly broad, invalid or unenforceable, shall not be affected thereby and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement as of the day and year first above written.

UNITED STATES SURGICAL CORPORATION

By: /s/ Steven J. Amelio

Name: Steven J. Amelio

Title: VP & Controller USSC

CFC ASSETS CORPORATION

By: /s/ Steven J. Amelio

Name: Steven J. Amelio

Title: VP

COLUMBUS FARMING CORPORATION

By: /s/ Barry P. Luke

Name: Barry P. Luke

Title: VP

ALEXION PHARMACEUTICALS, INC.

By: /s/ Barry P. Luke

Name: Barry P. Luke

Title: VP of Finance and Administration

Exhibit 10.28

Amendment

to

Collaboration Agreement

between

Procter & Gamble Pharmaceuticals, Inc.

and

Alexion Pharmaceuticals, Inc.

This Amendment is made on April 6, 1999, by and between and Procter & Gamble Company (herein together with its Affiliate Procter & Gamble Pharmaceuticals Inc., "Procter & Gamble"), an Ohio corporation with principle offices at One Procter & Gamble Plaza, Cincinnati, Ohio 45202, and Alexion Pharmaceuticals, Inc., a Delaware corporation with a principle office at 25 Science Park, New Haven, Connecticut (hereinafter, together with its Affiliates, "Alexion") generally referred to herein individually as a "Party" or collectively as the "Parties".

Background

The Parties entered into the Collaboration Agreement (the "Agreement") as of January 25, 1999. The Parties wish to amend the Agreement as set forth herein.

Section 4.1 of the Agreement is hereby amended by deleting the first sentence and replacing it with the following:

The parties will agree to finalize a Research & Development Plan within ninety (90) days after the Effective Date.

All other terms and condition of the Agreement shall remain in force without modification.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the date first set forth above.

Procter & Gamble Company
(Procter & Gamble)

By /s/ [ILLEGIBLE]

Title Vice President

Form MPM

Execution AFM

Alexion Pharmaceuticals, Inc.
(Alexion)

By /s/ David Keiser

Title Exec. VP & COO

COLLABORATION AGREEMENT

between

THE PROCTER & GAMBLE COMPANY

and

ALEXION PHARMACEUTICALS, INC.

January 25, 1999

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COLLABORATION AGREEMENT

Made as of this 25th day of January, 1999, by and among:

The Procter & Gamble Company, an Ohio corporation having its principal offices at One Procter & Gamble Plaza, Cincinnati, Ohio 45202 (hereinafter, together with its Affiliate Procter & Gamble Pharmaceuticals, Inc., "Procter & Gamble"), and

Alexion Pharmaceuticals, Inc., a Delaware corporation having its principal office at 25 Science Park, New Haven, Connecticut (hereinafter, together with its Affiliates, "Alexion").

The following sets forth the background for this Agreement:

Alexion conducts pharmaceutical research and development, based on significant expertise in identifying and developing therapeutic agents targeted at treating a variety of disorders, including without limitation products having utility in the treatment of acute cardiovascular disorders.

Procter & Gamble conducts research and develops and markets pharmaceutical products for the treatment of a variety of disorders, including without limitation products having utility in the treatment of cardiovascular disorders.

Procter & Gamble and Alexion share a mutual interest in a collaboration aimed at the further development of C5 complement inhibitor agents identified by Alexion with Procter & Gamble to market resulting products.

Procter & Gamble and Alexion intend fully to utilize their capabilities, capitalize on each other's expertise, and put forth commercially reasonable efforts to achieve the objectives of this collaboration, and recognize that Alexion is contributing valuable technologies, and each party is contributing valuable expertise and capabilities to this effort and that the combination of these compatible and complementary technologies, expertise and capabilities creates the basis for a successful collaboration.

Accordingly, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the Parties agree to the following terms and conditions:

Article I - Definitions

1.1. "Affiliate" means any entity that directly or indirectly Owns, is Owned by, or is under common Ownership with a Party to this Agreement. "Owns" or "Ownership" means direct or indirect possession of more than fifty percent (50%) of the votes of holders of a corporation's voting securities or a comparable equity interest in any other type of entity.

1.2. "Alexion Indications" are described in Section 4.6.

1.3. "Agreement" means the present agreement together with all attachments.

1.4. "Alexion Know-how" means Know-how owned or Controlled in the Field by Alexion, but excluding Alexion Patents and Joint Patents.

1.5. "Alexion Patents" means all Patents owned or Controlled by Alexion with the right to sublicense to the extent claiming, in the Field, a Collaboration Inhibitor, research methods and materials used in performing research and manufacturing processes or for discovering, identifying or testing a Collaboration Inhibitor, or the manufacture, use, import, or sale of a Collaboration Inhibitor or Product where such Patents cover (a) inventions made prior to the date of this Agreement or (b) inventions made in the course of the Research & Development Plan by employees of Alexion. Alexion Patents include, without limitation, the patents and patent applications listed in Schedule 1.5 delivered to Procter & Gamble contemporaneously herewith (as may be amended as appropriate). Continuations-in-part covered by Licensed Technology are limited to continuations-in-part dominated by claims in any of the patents or applications licensed to Alexion thereunder.

1.6. "Alexion Product Cost" means Direct Costs incurred by Alexion for the production, testing and finishing of clinical bulk material and/or vials of Product.

1.7. "Article" means any article of this Agreement.

1.8. "Collaboration Inhibitor" means the humanized anti-C5 monoclonal antibody coded h5G1.1-ScFv and analogs, derivatives and formulations thereof owned or otherwise Controlled by Alexion.

1.9. "Collaboration Term" means the period commencing on the Effective Date and ending on the expiration of the Research & Development Plan, unless terminated earlier pursuant to Sections 13.2, 13.3 or 13.4, or extended by mutual agreement of the Parties.

1.10. "Commercially Reasonable Efforts" means efforts and resources commonly used in the research-based pharmaceutical industry for a compound or product at a similar stage of research, development or commercialization, and having similar market potential. Commercially Reasonable Efforts shall be determined taking into account the stage of research, development or commercialization of the compound or product, the cost-effectiveness of efforts or resources while optimizing profitability, the competitiveness of alternative products that are or are expected to be in the relevant marketplace, the proprietary position of the product, the regulatory and business environment, the likelihood of regulatory approval and product reimbursement, the profitability of the product, the existence of alternative products that may also be developed by the Parties, and all other relevant factors. Commercially Reasonable Efforts shall be determined on an indication-by-indication and market-by-market basis, and it is anticipated that the level of effort will change over time reflecting changes in the status of the compound, product and the market involved.

1.11. "Competing Product" means any pharmaceutical compound or product that specifically inhibits the production of C5a or specifically inhibits interaction with its receptor and in either case which is developed for use in acute cardiovascular conditions and/or applications and which is not a Product.

and which is not a Product.

1.12. "Contract year" means the twelve (12) month period following the Effective Date.

1.13. "Control" means, with respect to an item of information or intellectual property right, the possession of the ability to grant a license or sublicense as provided for herein under such item or right without violating the terms of any agreement or other arrangement, express or implied, with any Third Party.

1.14. "Direct Costs" means costs, of a nature, amount, and method of calculation approved in advance by the Research & Development Steering Committee via the Research & Development Plan, that are incurred by Alexion, based upon efforts, funds and/or resources expended to perform its obligations under such plan. Direct Costs may include the fully burdened costs associated with activities performed by Alexion, or by a Third Party, for the research, development, testing or manufacturing of Products. Direct Costs shall not include any mark-up or profit above actual costs.

1.15. "Effective Date" means the date described in Section 13.1(a).

1.16. "Effort Year" means nineteen hundred and twenty (1,920) hours of direct effort expended on or in furtherance of the Research & Development Plan during a year.

1.17. "Field" means the research, development, commercialization and use of Collaboration Inhibitor.

1.18. "Fiscal Quarter" means each period of three (3) months ending on 31 March or 30 June or 30 September or 31 December. The first Fiscal Quarter starts as of the Effective Date and ends on 31 March.

1.19. "Fiscal Year" means the twelve (12) month period of time from July to June 30,

except that the first Fiscal Year commences on the Effective Date and ends on June 30, 1999, and the last Fiscal Year during the Term shall end on the anniversary of the Effective Date in the Fiscal Year in which the Term expires or is terminated pursuant to Article XIII.

1.20. "Full Time Equivalent" ("FTE") means one Effort Year of an employee or class of employees.

1.21. "GAAP" means U.S. generally accepted accounting principles.

1.22. "Health Registration" means any and all consents, licenses, authorizations, reimbursement pricing or approvals required by a regulatory authority such as the USFDA or any other Ministry of Health, for the distribution, sale, manufacture, or testing of the Product, including, without limitation, an IND, NDA or supplemental NDA or other application or supplemental application for a Health Registration.

1.23. "Joint Patents" means all Patents, to the extent claiming, in the Field, a Collaboration Inhibitor, the manufacture or use of a Collaboration Inhibitor, research methods and materials used in performing research and manufacturing process or for discovering, identifying, or testing for a Collaboration Inhibitor, where such Patents cover inventions made jointly by employees or agents of Alexion and Procter & Gamble prior to the end of the Collaboration Term. In determining inventorship and rights in joint inventions, the laws of the United States shall apply to any particular patent.

1.24. "Know-how" means techniques and data specifically in the Field, including, without limitation, inventions, practices, methods, knowledge, know-how, skill, test data including pharmacological, toxicological and clinical test data, analytical and quality control data, but excluding Alexion Patents, Joint Patents, and Procter & Gamble Patents.

1.25. "Licensed Technology" means the technology licensed to Alexion under the license agreements identified on Schedule 1.25 delivered contemporaneously herewith.

1.26. "Marketed Product" means a Product which is approved by a regulatory agency for sale pursuant to this Agreement in any country in the Territory.

1.27. "Net Sales" shall mean, for any period, the gross sales (as defined below) by Procter & Gamble, its Affiliates and sublicensees to Third Parties, attributable to Products, determined by the gross amount invoiced to the purchaser, including, if applicable, the value of all properties and services received in consideration of sales of Products, less: (i) normal and customary quantity and/or cash discounts, allowances, rebates, customer merchandising and pricing funds (which includes price declines, Procter & Gamble's Business Development Funds, and managed care discounts), fees paid to distributors measured by the billing amount and chargebacks actually allowed or given from the billed amount; (ii) freight, postage, shipping, and insurance expenses (if separately identified in such invoice); (iii) credits or refunds actually allowed for rejected, outdated or returned Product; and (iv) sales and other taxes and duties directly related to the sale, to the extent that such items are included in the gross invoice price (but not including taxes assessed against the income derived from such sale) provided that any discounts, allowances and rebates, based on overall purchases by the customer of the selling Party may be applied to reduce Net Sales only to the extent of the pro rata amount of such discounts or rebates attributable to the Products included in such overall purchases. Any of the deductions listed above which involves a payment by Procter & Gamble shall be taken as a deduction against aggregate sales for the Fiscal Quarter in which the expense is accrued by Procter & Gamble. For purposes of determining Net Sales, Product shall be deemed to be sold when shipped or to be the subject of a sale upon the delivery of Products to the purchaser or a common carrier at the risk of the purchaser and the transfer of title thereto to the purchaser.

Sales between or among Procter & Gamble and its Affiliates shall be excluded from the computation of Net Sales, but sales by such Parties to their customers shall be included in such computation.

Where a sale is deemed consummated by the gift or other disposition of Products for

other than a selling price stated in cash, the term "Net Sales" shall mean the average gross selling price billed by Procter & Gamble, an Affiliate or its sublicensee, as the case may be, in consideration of comparable Products during the three (3) month period immediately preceding such disposition, without reduction of any kind. For such purposes, a gift shall not include product samples distributed in customary manner for similar products in the pharmaceutical industry and Products supplied for clinical studies.

In the event a Product incorporate or is sold in combination with one or more other active ingredients ("Other Product"), Net Sales shall be calculated by multiplying the Net Sales of the combination Product by a fraction "A/A(A+B)," where "A" is the average gross selling price of the Product during the preceding calendar quarter sold separately by Procter & Gamble and "B" is the average gross selling price during such quarter of the Other Product sold separately by Procter & Gamble or, in the event the Product and Other Product are not sold separately, a fraction "C/(C+D)," where "C" is the cost of manufacture or acquisition to Procter & Gamble of the Products alone and "D" is the cost of manufacture or acquisition to Procter & Gamble of the Other Product; provided, however, such fraction shall in no event be less than one-half (1/2).

1.28. "Party" means Alexion or Procter & Gamble.

1.29. "Patent" means all Valid Claims in all patent applications, and all continuing and divisional patent applications, continuations-in-part and reissue applications claiming priority, indirectly and directly, to such applications, and all patents issuing therefrom in the Territory as well as extensions thereof, including Supplementary Certificates of Protection of a member state of the European Community.

1.30. "Primary Indication" means an indication for the Product for treatment of patients undergoing cardiopulmonary bypass procedures as defined in an approved Research & Development Plan.

1.31. "Procter & Gamble Know-how" means Know-how owned or Controlled in the

Field by Procter & Gamble, but excluding Procter & Gamble Patents and Joint Patents.

1.32. "Procter & Gamble Patents" means all Patents owned or Controlled by Procter & Gamble to the extent claiming, in the Field, a Collaboration Inhibitor, research methods and materials used in performing research and manufacturing processes or for discovering, identifying or testing a Collaboration Inhibitor, or the manufacture, sale or import of a Collaboration Inhibitor or Product, where such Patents cover inventions made solely by employees or agents of Procter & Gamble after the Effective Date and prior to the end of the Term.

1.33. "Product" means any pharmaceutical composition containing any form or dosage, including the Product in a vial, of a pharmaceutical or other product or any process, which contains or is based upon a Collaboration Inhibitor or which results from the manufacture, production or use of a claim of an Alexion Patent or Joint Patent, wherever sold, which if not licensed, would infringe upon Alexion Patents or Joint Patents (if issued).

1.34. "Research & Development Steering Committee" means the committee described in Section 3.2.

1.35. "Secondary Indication" means an indication for the Product for treatment of acute myocardial infarctions as defined in an approved Research & Development Plan.

1.36. "Section" means any section of this Agreement.

1.37. "Success Criteria" means the specific criteria that define the minimum technical and commercial requirements for a Product set forth in a Research & Development Plan approved by the Research & Development Steering committee or defined by Procter & Gamble for marketing.

1.38. "Term" means the period of time specified in Section 13.1(b).

1.39. "Territory" means the entire world.

1.40. "Tertiary Indication" means an indication for the Product for any acute cardiovascular application other than the Primary or Secondary Indications which has been defined in an approved Research & Development Plan as a Tertiary Indication.

1.41. "Third Party" means any entity other than Alexion or Procter & Gamble.

1.42. "Valid Claim" means any claim in a published or unexpired application or patent included within a Patent which claim has not been held unenforceable, unpatentable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been finally abandoned or admitted to be invalid or unenforceable through disclaimer by the patenting Party.

Article II - License Grants

2.1. License Grants.

(a) Patent License For Commercialization of Products. Alexion hereby grants Procter & Gamble a worldwide, exclusive royalty-bearing license or sublicense, in the Field, under Alexion Patents and Alexion's interest in Joint Patents, with the right to grant sublicenses, to make, have made, use, import, and offer for sale and sell Products.

(b) Know-how License to Procter & Gamble. Alexion hereby grants to Procter & Gamble:

(i) an exclusive worldwide license to use Alexion Know-how within the Field, wherein such Know-how is solely related to the Collaboration Inhibitor including but not limited to the non-clinical development, process development, manufacturing, clinical development, and marketing of a Collaboration Inhibitor, in pursuance of the Research & Development Plan, during the Collaboration Term, and during the

remaining Term of this Agreement.

(ii) a non-exclusive worldwide license to use Alexion Know-how within the Field, wherein such Know-how related to a Collaboration Inhibitor including but not limited to the non-clinical development, and marketing of a Collaboration Inhibitor, in pursuance of the Research & Development Plan, during the Collaboration Term, and during the Collaboration Term, and during the remaining Term of this Agreement.

(c) Research License to Procter & Gamble. With respect to any Alexion Patents and Alexion's interest in Joint Patents, Procter & Gamble shall have the worldwide right, within the Field and in pursuance of the Research & Development Plan, for Products, exclusively, with the right to grant research sublicenses only as authorized by the Research & Development Steering Committee to:

(i) to make, have made, use and have used, import and have imported, but not to sell or have sold, any such discovery or invention;

(ii) to practice and have practiced on its behalf any such discovered or invented methods of making devices or materials, provided any devices or materials made by said methods are not offered for sale to non-Affiliate third parties; and

(iii) to use and have used on its behalf any such discovered or invented methods of using devices or materials, provided said devices or materials are not offered for sale to non-Affiliate Third Parties.

2.2. Non-exclusive Licenses to Alexion. Procter & Gamble hereby grants Alexion a non-exclusive worldwide license, with the right to grant sublicenses as authorized by the Research & Development Steering Committee, to use Procter & Gamble Patents and Procter & Gamble Know-how, within the Field in pursuance of the Research & Development Plan, to perform research and development and manufacturing activities in accordance with the Research & Development Plan, or for Products.

2.3. Sublicenses.

(a) Procter & Gamble shall provide to Alexion prior written notice of Procter & Gamble's intent to sublicense, specifying the intended sublicensee. Alexion may discuss the appropriateness of such intended sublicensee with Procter & Gamble prior to the execution of the sublicense agreement; however, the ultimate decision is Procter & Gamble's. All sublicenses granted by Procter & Gamble shall provide that the obligations to Alexion of Procter & Gamble under Articles VIII, X and XII and Sections 11.2(b), 11.3(a)(iv) and 11.4 of this Agreement shall be binding upon sublicensees as if it were a party to this Agreement, and comparable paragraphs no more favorable to the sublicensee shall be included within all sublicense agreements; provided that such provisions shall obligate the sublicensee only with respect to its sales and actions. Procter & Gamble shall provide to Alexion (i) a copy of all sublicense agreements promptly after execution, and (ii) annually, together with the report required in Section 8.5 of this Agreement, copies of reports related to financial and research and development performance received by Procter & Gamble from its sublicensees during the preceding three (3) month period or twelve (12) month period, as the case may be.

(b) If a Third Party licensor of Licensed Technology, wherein the manufacture, use, importation or sale of a Marketed Product would, but for the licenses granted by the Third Party, infringe the Third Party Valid Claim, shall seek to terminate such license due to the default by Alexion, Alexion shall give Procter & Gamble written notice specifying the nature of the breach. If Alexion cannot or does not cure the Third Party breach and provided Procter & Gamble shall have paid all amounts payable hereunder due (without reference to any notice, cure, audit or other effective extension of the period of performance) and fully complied with all of its obligations hereunder, including without limitation, to commercialize the Product, then Procter & Gamble shall have the right upon written notice to Alexion to cure the Third Party breach and credit all amounts paid by it to the Third Party licensor against royalties payable by it to Alexion pursuant to Section 8.2(a).

2.4. Certain Rights; No Implied License. In addition to all other rights of Alexion under this Agreement, Alexion retains on behalf of itself the perpetual, royalty-free, non-transferable right and license to practice all technology exclusively licensed by it hereunder for research and educational purposes, on a non-commercial basis, as approved by the Research

& Development Steering Committee. Except as otherwise provided in this Agreement, under no circumstances shall a Party hereto as a result of this Agreement obtain any ownership interest or other right in any technology, know-how, trade secrets, patents, pending patent applications, products, vaccines, antibodies, cell lines or cultures, or animals of the other Party, including items owned, controlled, developed by the other, or transferred by the other to such Party at any time pursuant to this Agreement. The licenses and rights granted in this Agreement shall not be construed to confer any rights upon a Party by implication, estoppel or otherwise as to any technology not specifically identified in this Agreement as or included within such license rights, and no other assignments or licenses are made or granted by implication, estoppel or otherwise, by this Agreement. All rights granted by Alexion to Procter & Gamble under this Agreement which are now or in the future licensed to Alexion are and shall be subject to the rights of the licensors and the terms of the licenses thereof

2.5. Government. Procter & Gamble acknowledges that the Licensed Technology hereunder or a portion thereof was developed with financial or other assistance from the United States of America, and that applicable statutes, regulations and Executive Orders of the United States of America may control, apply to or affect the license granted hereunder and any sublicenses granted hereunder. Procter & Gamble acknowledges that it is responsible for making its own determination about the applicability of any statutes, regulations or Executive Orders and the licensors' compliance therewith.

Article III - Overview and Management of Collaboration

3.1. Scope of Collaboration. The Parties will work together to research, develop and commercialize Products pursuant to this Agreement. All such research and development work shall be conducted according to a Research & Development Plan during the Collaboration Term established and approved by the Research & Development Steering Committee pursuant to Article III. The Research & Development Plan will be conducted with the goals of (a) worldwide development of product in Primary, Secondary and Tertiary Indications and exploration of additional indications; and (b) development of efficient and economic processes

for manufacture of Product. Procter & Gamble will commercialize Products pursuant to Article V. Alexion and Procter & Gamble agree that they will conduct the Research & Development Plan on a collaboration basis with the goal of commercializing Products.

3.2. Research & Development Steering Committee Membership. The research and development work under this Agreement, as set forth in Section 3.1, shall be performed by the Parties pursuant to the oversight of the Research & Development Steering Committee. Notwithstanding the overall responsibility of the Research & Development Steering Committee for the management and direction of the collaboration hereunder, it is the expectation of the Parties that the following initial primary responsibilities shall be allocated between the parties, as follows:

	Initial Responsible Party for Primary Secondary & Tertiary Indications	
Function/Activity	U.S.	Global
non-clinical R&D	Alexion	Alexion
process development & clinical manufacture	Alexion	Alexion
clinical packaging	P&G	P&G
clinical design	Alexion/P&G*	P&G
clinical implementation	P&G/Alexion*	P&G
clinical monitoring	P&G/Alexion*	P&G

* Indicating shared responsibility with the first named Party being the lead Party.

The Research & Development Steering Committee has overall responsibility for the definition, conduct and execution of the Research & Development Plan, which will include without limitation defining Success Criteria, setting the budget for Alexion activities, and determining allocation of work to be done by Alexion, Procter & Gamble or Third Parties. The Research & Development Steering Committee may delegate its responsibilities and activities to other committees (e.g., to a Patent Committee, Research Committee, Finance Committee,

Clinical Committee or such other committees as the Research & Development Steering Committee may establish); however, the Research & Development Steering Committee has final approval. The Research & Development Steering Committee will be co-chaired by two (2) members with one (1) member designated by each Party. The co-chairmen are senior R&D executives. The Parties will be free to change their respective representatives, on notice to the other Party. Total representation shall not exceed ten (10) members (five (5) members per Party) unless otherwise agreed to by the Parties. The first Research & Development Steering Committee meeting shall occur within thirty (30) days of the Effective Date.

3.3. Meetings. The Research & Development Steering Committee will meet at least quarterly, or as the Parties shall otherwise agree. Either Party may call a special meeting of the Research & Development Steering Committee up to two (2) times per year, on fifteen (15) days' written notice to the other Party. The Party convening a special meeting shall send notices and agenda for such meeting. Meetings will alternate between the offices of the Parties, or may be held via teleconference, videoconference or such other place or manner as the Parties may mutually agree. The Party hosting any meeting shall appoint a secretary to the meeting who will record the minutes of the meeting which will be circulated to the members of the Research & Development Steering Committee promptly following the meeting for review, comment, and adoption.

3.4. Decision-making Criteria. All decisions of the Research & Development Steering Committee shall be made by the co-chairmen and in the exercise of good faith. Such decisions shall adhere to the ethical and legal standards for the research-based pharmaceutical industry and shall be consistent with the use of Commercially Reasonable Efforts to research and develop Products. Subject to the foregoing, Procter & Gamble shall have the final decision in the Research & Development Steering Committee.

3.5. Dispute Resolution. If Alexion does not agree with a decision by the Research & Development Steering Committee, the matter shall be referred for further review and resolution by the Chairman or CEO of Alexion and the President of Procter & Gamble Pharmaceuticals (the

"CEOs"), if both CEOs were not voting members of the Research & Development Steering Committee. Action will be delayed until such meeting or discussion between the CEOs. If the CEOs (or the Research & Development Steering Committee, if the CEOs are both voting members) cannot resolve the issue within ten (10) business days of such reference, the decision by Procter & Gamble's CEO shall be binding.

3.6. Record-keeping. The Research & Development Steering Committee and all other committees formed thereunder shall appoint one Party to keep complete and accurate records pertaining to the committees' meetings and activities. The other Party shall have the right to review such records upon reasonable notice to the record-keeping party and at reasonable times.

3.7. Non-compete. Neither Alexion nor Procter & Gamble shall itself or in conjunction with a Third Party enter into the development or commercialization of a Competing Product during the Term of this Agreement.

Article IV - Research and Development

4.1. Research & Development Plan. The initial Research & Development Plan is set forth in Schedule 4.1 delivered contemporaneously herewith. Prior to the finalization of a Research & Development Plan, the Research & Development Steering Committee, or designated subcommittee, will adopt a process for managing project costs including but not limited to budget timing, forecast updates, invoicing procedures, etc. The Parties will agree to finalize a Research & Development Plan within sixty (60) days after the Effective Date. The Research & Development Steering Committee is authorized to approve and amend the Research & Development Plan (other than matters affecting Milestone payments or minimum number of FTEs set forth in Section 4.2(a)). The Research & Development Steering Committee may periodically modify the Research & Development Plan, within the scope of and in a manner consistent with this Agreement, and the more detailed responsibilities of each Party within the general scope of responsibilities set forth herein, and revise the Research & Development Plan accordingly. Procter & Gamble hereby designates Alexion as its favored development and

commercialization partner and collaborator with respect to Collaboration Inhibitor except as otherwise specifically provided herein. The Research & Development Plan shall include a line item description and budget for all approved Alexion R&D activities and expenditures, including Alexion FTE allocations and any Third Party costs incurred by Alexion which will be reimbursed by Procter & Gamble.

4.2. Funding of Research & Development Plan.

(a) FTE-Based Funding and Other Funding. Procter & Gamble will fund Alexion FTEs for work pursuant to the Research & Development Plan and approved by the Research & Development Steering Committee. However, during the first three (3) Contract Years of the Agreement, notwithstanding any re-allocation of research effort or responsibility or any other changes to the Research & Development Plan, but subject to Sections 13.2 and 13.7(a) below, Procter & Gamble agrees to fund at least the following minimum number of Alexion FTEs listed below per Contract Year for work pursuant to the Research & Development Plan. Work includes without limitation, non-clinical research and development, process development and clinical assays.

Contract Year	Alexion FTEs
1	12
2	20
3	20

In addition to such FTE-based funding, Procter & Gamble shall pay or reimburse Alexion for outside costs to Third Parties approved by the Research & Development Steering Committee and incurred in connection with the Research & Development Plan but such outside costs shall exclude the routine costs of compensation, facilities, supplies and overhead of Alexion FTEs.

All Direct Costs associated with work done pursuant to the approved Research & Development Plan shall be borne by Procter & Gamble.

(b) Alexion's FTE Rate; Payment. Calculation of any FTE rate includes salary

and benefits, bonuses and rewards, normal operating expenses (laboratory supplies, chemicals, equipment maintenance and repairs, etc.) and normal traveling expenses. Procter & Gamble's funding of Alexion's FTEs will be made at an annual rate of Two Hundred Twenty-Five Thousand U.S. Dollars ($225,000.00) per FTE. Such rate shall be adjusted for inflation by multiplying the amount in the contract by the percentage change in the U.S. CPI for all Urban Consumers as published by the U.S. Bureau of Labor Standards (the "CPI") for the period January 1999 to the June immediately preceding the Fiscal Year in question. An example calculation of the CPI adjustment is set forth in Schedule 4.2(b) delivered contemporaneously herewith.

4.3. Alexion Obligations. Alexion shall use Commercially Reasonable Efforts to diligently perform the obligations of Alexion set forth in the Research & Development Plan, within the resources provided by Procter & Gamble. Such performance of the obligations hereunder by Alexion shall be at Procter & Gamble's cost and expense pursuant to such Research & Development Plan. To the extent not related to Alexion Patents or Joint Patents, all raw data generated from any clinical or nonclinical studies conducted hereunder by Alexion, and solely related to a Collaboration Inhibitor, in pursuance of the Research & Development Plan, during the Collaboration Term, and during the remaining Term of this Agreement, at Procter & Gamble's sole cost and expense shall be the sole property of Procter & Gamble. Alexion shall proceed diligently with the work to be performed by it as set out in the Research & Development Plan by using its reasonable commercial efforts within the resources provided by Procter & Gamble to provide allocation of sufficient time and effort, using personnel with sufficient skills and experience, to execute and substantially perform its obligations under the Research & Development Plan. During the Collaboration Term, Alexion shall commit such FTEs in its employ to the Research & Development Plan as determined by the Research & Development Steering Committee on an annual basis, subject to this Section 4.4 and Section 4.2.

4.4. P&G Obligations. Procter & Gamble shall use the Commercially Reasonable Efforts to diligently complete the development of Products pursuant to the Research & Development Plan, and to diligently perform the obligations set forth in the Research &

Development Plan. Procter & Gamble shall be responsible for all costs and expenses in connection with such development efforts. In addition to Procter & Gamble's obligation for funding pursuant to Section 4.2, Procter & Gamble agrees to commit to the Research & Development Plan the resources which shall be necessary to fulfill its obligation under the Research & Development Plan (including extensions for the balance of the Collaboration Term).

4.5. Research and Development Communication. Alexion and Procter & Gamble will submit reports to each other not less than two (2) times per year presenting a meaningful summary of research and development activities performed under this Agreement. Alexion and Procter & Gamble will make presentations of such activities to each other, beyond that made to the Research & Development Steering Committee, as reasonably requested by each other. All technology generated by the Parties in the course of the Agreement, in the Field, shall be disclosed pursuant to Section 10.1. The Parties shall use their best efforts to communicate information only within the scope of this Agreement. Alexion and Procter & Gamble will also communicate informally and through the Research & Development Steering Committee to inform each other of research and development done under this Agreement. Alexion will provide Procter & Gamble with raw data in original form or a photocopy thereof for any and all work carried out under this Agreement as reasonably requested by Procter & Gamble. Further, each Party shall keep complete and accurate records pertaining to the Parties' activities hereunder consistent with the creation and maintenance of raw data, records and reports necessary or useful in the preparation, approval and maintenance of Health Registrations for Products and Marketed Products and sufficient to enable, for example, the efficient transfer of Product manufacturing Know-how from Alexion to P&G. All information provided under this Section 4.5 is subject to Article X.

4.6. Alexion Indications. During the term of the licenses granted to Procter & Gamble pursuant to Article II, Alexion may propose to the Research & Development Steering Committee indications which are not part of the Research & Development Plan for clinical development (Alexion Indications). The Research & Development Steering Committee shall evaluate the

proposed Alexion Indication within sixty (60) days of such proposal. If the Research & Development Steering Committee shall deem the Alexion Indication not worthy of development, no such development shall occur.

If, however, the Research & Development Steering Committee shall deem the Alexion Indication worthy of development, then (i) the Research & Development Plan shall be so modified within such sixty (60) day period or (ii) the Parties shall negotiate in good faith, within an additional sixty (60) day period, terms for development of such Alexion Indication. If the Parties cannot agree on such terms within ninety (90) days after Alexion proposes to Procter & Gamble an Alexion Indication, then Alexion can proceed at its own cost to develop the Alexion Indication in a manner approved by the Research & Development Steering Committee. Any actions by Alexion under these conditions is contingent on such actions being approved by the Research & Development Steering Committee and not being to the disadvantage of the collaborative efforts under the Research & Development Plan. At any time thereafter Procter & Gamble and Alexion will again meet and negotiate in good faith terms to provide Procter & Gamble an opportunity to buy back into the program for the development and commercialization of the Alexion Indication. In any case, it is intended that all work done on this indication continue to be discussed and approved by the Research & Development Steering Committee.

4.7. No Solicitation of Employees. During the Collaboration Term and for a period of two (2) years thereafter, neither Alexion nor Procter & Gamble nor their respective Affiliates shall, without the prior consent of the other Party, solicit the employment of any person who during the course of employment with the other party or its Affiliate was involved with activities relating to the Research & Development Plan.

Article V - Manufacturing of Product

5.1. Manufacturing of Product(s).

(a) Alexion shall be responsible for process development and production of Collaboration Inhibitor and Product for the Research & Development Plan. To the extent such

activities are being conducted through Third Parties, the terms of such Third Party agreement shall be approved by the Research & Development Steering Committee. Procter & Gamble shall purchase for such purpose clinical bulk material and/or vials of Product from Alexion at Alexion Product Cost calculated according to GAAP, payable within thirty (30) days of invoice, and verifiable by audit. Such supply of bulk material and vials of Product for clinical use shall be in accordance with applicable specifications and requests made and approved by the Research & Development Steering Committee.

(b) Alexion shall have the continuing right, at its election, to bid for the manufacture of all or a portion of the commercial requirements of Product. Subject to the provisions of this paragraph, award of all or a portion of the right to manufacture commercial Product shall be determined by Procter & Gamble. If Alexion has in place or will have in place manufacturing capacity and Alexion shall meet required QA, regulatory, manufacturing and production criteria and its bid be at a price no higher than that offered by a comparably qualified bona fide Third Party contract manufacturer, Alexion shall have the right to manufacture all or a portion of such commercial requirements of Products upon commercially reasonable terms no less favorable to Procter & Gamble than that available from a comparably qualified alternative source, to be negotiated by Alexion and the Research & Development Steering Committee or Procter & Gamble, as the case may be. In the event the Parties are unable to reach agreement, either Party shall be entitled to submit the matter for settlement by arbitration in accordance with Section 14.4. During such periods as Alexion shall not be manufacturing all of the requirements of Product, Alexion shall be entitled to recommend the other contract manufacturing source, subject to final approval by the Research & Development Steering Committee or Procter & Gamble. Alexion shall fully cooperate in the license and transfer of the requisite manufacturing know-how to such Third Party contract manufacturer as Procter & Gamble determines.

Article VI - Health Registration Obligation

Seeking Approvals. Procter & Gamble and its Affiliates will be the sponsor of Health Registrations where applicable in the Territory. Procter & Gamble and Alexion shall share responsibilities for Health Registration filings, interactions and correspondences related to the development, registration and approval of a Product within the Territory. Alexion shall have primary responsibility for the CMC part of regulatory filings. Alexion shall transfer sponsorship of all current Health Registration applications for Products to Procter & Gamble as established by the Research & Development Steering Committee. To the extent that Alexion intends to develop an Alexion Indication, the Research & Development Steering Committee shall provide the necessary access to any regulatory filings (including applications for Health Registrations). All costs associated with the Health Registration filings shall be borne by Procter & Gamble.

Article VII - Marketing of Products

7.1. Marketing and Sales Strategy. As set forth herein, Procter & Gamble shall make all decisions regarding the strategy and tactics of marketing, selling and otherwise commercializing Marketed Products, including without limitation prices of Marketed Products, method of sales and distribution, organization and management of sales and marketing, packaging and labeling, appointment of distributors pursuant to Section 7.2, extent of Alexion's co-promotional activity pursuant to Section 7.3, and other terms and conditions for such sales and marketing. Notwithstanding the foregoing, Procter & Gamble will use Commercially Reasonable Efforts to commercialize each Product that receives Regulatory Approval, taking into account the scientific and commercial potential for such Product. Alexion will provide thirty (30) days' notice to Procter & Gamble, if, in Alexion's opinion, Procter & Gamble is not using such commercially reasonable and diligent efforts, in order for the Parties to discuss the situation and for Procter & Gamble to make diligent and continuing efforts to rectify the situation. If the Parties agree that Procter & Gamble is not using such commercially reasonable and diligent efforts, Procter & Gamble shall have an additional sixty (60) days to rectify the situation. If no agreement is made within the thirty (30) day period, then the matter may be taken to arbitration

pursuant to Section 14.4.

7.2. Exclusive Distributor. Subject to Section 7.3 below, Procter & Gamble may elect a Third Party to act as its agent in connection with the marketing, sale and distribution of Marketed Products on a country basis in the Territory. No amounts payable to or retained by any such agent shall affect the calculation of Net Sales.

7.3. Alexion Co-Promotional Activities. Alexion will have an opportunity, but not the obligation, to participate in the sales efforts in the United States of a minimum twenty percent (20%) of a Marketed Product's sales effort. Upon the Research & Development Steering Committee's decision to prepare a Health Registration in the United States, Procter & Gamble shall provide a written request to Alexion regarding Alexion's intent to co-promote the Marketed Product. Said request shall contain a comprehensive Product marketing plan, and number of details and position, as defined in Schedule 7.3 (not less than 20% of total details to Alexion) and rate of reimbursement to Alexion. Within thirty (30) days of receipt, Alexion shall provide its written response. Should Alexion elect to participate, the Parties will immediately begin negotiations to enter into a Co-Promotional Agreement. Said Agreement will incorporate traditional provisions including but not limited to those set forth in Schedule 7.3. Alexion shall be solely responsible for hiring and funding the establishment of its internal sales organization. Procter & Gamble shall pay Alexion an amount equal to Procter & Gamble's costs for details and sales call position as if such details were made by Procter & Gamble's dedicated field-based sales force or trained contract sales force. Calculation of reimbursement to Alexion will be determined according to the proportion of dedicated field-based sales force or trained contract sales force that Procter & Gamble will employ for the promotion of Product in the U.S.

7.4. No Restrictions on Business. Except as otherwise specifically provided herein, Alexion agrees that Procter & Gamble is in the business of developing, manufacturing and selling of pharmaceutical products and nothing in this Agreement shall be construed as restricting such business or imposing on Procter & Gamble the duty to market and sell Marketed Products hereunder to the exclusion of or in preference to any other product, provided such

product is not a Competing Product.

Article VIII - Milestones, Royalties, Payments and Accounting

8.1. Milestones. In consideration of Alexion's commitment to conduct the Research & Development Plan and for the licenses granted hereunder, Procter & Gamble agrees to pay, in addition to funding all of the research and development costs related to Product incurred during this Agreement pursuant to Section 4.2, the following non-refundable, non-creditable one-time milestone payments to Alexion, contingent upon meeting the following milestones as follows:

Milestone	Amount (US $ Million)
Pre-Health Registration Events	
Upon execution of this Agreement	[*****]
[**********]	
U.S. Health Registration Events	
[**********]	

[**********]

Foreign Health Registration Events

[**********]

8.2. Royalty Calculation.

(a) Procter & Gamble will pay to Alexion a royalty on Annual Contribution (to be defined in and calculated in accordance with Schedule 8.2(a)) of a Product on a worldwide basis, sold by Procter & Gamble, its Affiliates and sublicensees (including sales by distributors) in the Territory at the applicable rate listed below multiplied by the Annual Contribution:

Annual Contribution (US$)	Royalty
[********]	

For example, if Annual Contribution in 1998 was [*****], Procter & Gamble would pay Alexion [*****] Million [*****].

If however, such royalty payment based on Annual Contribution in any year was less than a sum equal to [*****] of that year's annual Net Sales of the Products, then Procter & Gamble shall pay Alexion a total percentage payment for that year equal to [******] of that year's annual Net Sales. With respect to each Product sold by Procter & Gamble,

its Affiliates or sublicensees, Procter & Gamble shall pay Alexion hereunder, on a country by country basis, until the expiration of the period equal to the longer of (a) or (b) where (a) is the longer of (i) [*****] In countries in which there exist a non-infringing, marketed generic equivalent product (a product recognized and approved by the relevant regulatory authorities as pharmaceutically equivalent, directly substitutable and equivalent to the Marketed Product) in which sales of such product in such country by such Third Party exceed [*****] of sales of the Product, then the royalties payable by Procter & Gamble to Alexion pursuant to Section 8.2(a) shall be [*****]. Notwithstanding anything else in this Agreement, such royalties shall not in any event be lower than the aggregate royalties payable by Alexion to its licensors of Licensed Technology with respect to Products.

(b) In the case of Product sales in a country wherein (a) [*****]

(c) In addition to the royalties paid pursuant to Section 8.2(a) or (b), Procter & Gamble will also pay Alexion the following additional milestone payments based on Net Sales. These are one-time only payments triggered on the first occurrence where total Fiscal Year Net Sales for Products exceeds Net Sales threshold levels described below:

Net Sales	Sales Milestone Payments
(US$)	(US $ Million)

[*****]

All payments will be made pursuant to Section 8.5(d). An example calculation is set forth in Schedule 8.2(c) delivered contemporaneously herewith.

* The Annual Contribution threshold levels in Section 8.2(a) and Net Sales threshold levels in Section 8.2(c) shall be adjusted for inflation by multiplying the value in the contract by the percentage change in the U.S. CPI for all Urban Consumers as published by the U.S. Bureau of Labor Standards (the CPI) for the period from January 1999, to the June immediately preceding the Fiscal Year in question. An example calculation of the CPI adjustment is set forth in Schedule 4.2(b) delivered contemporaneously herewith.

8.3. Sublicense Agreements. If Procter & Gamble, an Affiliate or sublicensee of Procter & Gamble sublicenses Alexion Patents or Alexion Know-how pursuant to Article V, or licenses or sublicenses Joint Patents, Procter & Gamble shall pay to Alexion fifty percent (50%) of all amounts received from the sublicensee or licensee, including without limitation, amounts in respect of initiation, milestone and performance payments, an advance against royalties or otherwise, and Procter & Gamble shall be entitled to a credit against total royalties payable in accordance with Section 8.2(a) of all amounts paid to Alexion under this Section 8.3 for which Procter & Gamble's licensee or sublicensee shall be entitled to a credit against royalties or other amounts payable to Procter & Gamble under the terms of the applicable license or sublicense agreement delivered to Alexion in accordance with Section 2.3.

8.4. Cash Only. Procter & Gamble shall not receive from sublicensees anything of value in lieu of cash payments in satisfaction of payment of obligations under a sublicense and this Agreement unless the express written permission of Alexion is obtained in advance. Procter & Gamble shall be entitled to receive rights to improvements and other benefits from sublicensees under sublicense agreements, without incurring any royalty obligations to Alexion in respect thereof.

8.5. Payment.

(a) Milestones payable under Section 8.1 will be paid not later than ten (10) calendar days following the event.

(b) The FTE-based and other funding contemplated by Section 4.2 shall be payable quarterly during each Contract Year. Within 10 days of the Effective Date, Procter & Gamble will pay Alexion the pro rata payment for minimum FTEs for the first quarter of the first Contract Year.

(c) Royalties payable under Section 8.2(a) and (b) and amounts payable under Section 8.3 will be paid not later than fifty-five (55) calendar days following the end of each Fiscal Quarter. All payments shall be accompanied by a report in writing showing on a country by country basis for the Fiscal Quarter for which such payment applies, the amount billed to Third Parties for Products sold during such Fiscal Quarter, the deductions from the amount billed to arrive at the Annual Contributions, the Annual Contributions for the Fiscal Quarter, and the royalties due on such Annual Contributions, such report being broken down by Marketed Product.

(d) Royalties payable under Section 8.2(c) will be paid not later than fifty-five (55) calendar days following the end of each Fiscal Year. All payments shall be accompanied by a report in writing showing the Fiscal Year for which such payment applies, the Net Sales for the Fiscal Year, and the royalties due on such Net Sales, such report being broken down by Marketed Product.

(e) Within ninety (90) days after the end of each Fiscal Year during the term of this Agreement commencing with the year during which the first commercial sale of a Product

shall occur, Procter & Gamble shall provide to Alexion a report, prepared by Procter & Gamble, relating to the sale of Products, containing:

(i) the total Net Sales of all Products sold by Procter & Gamble, it Affiliates and its sublicensees during such year; and

(ii) the amounts owed to Alexion pursuant to this Agreement with respect to such year.

(f) Any amounts owed pursuant to Sections 8.2(a), 8.2(b), 8.2(c) or 8.3 shall be paid in U.S. dollars using the average rate of exchange for the currency of the country from which the royalties are payable for the applicable period. Rates are averaged using those quoted in The Wall Street Journal (or Citibank, N.A. if such rates are not available in The Wall Street Journal).

(g) Alexion shall submit a report to Procter & Gamble within sixty (60) days after the end of each Fiscal Quarter detailing the number of Alexion FTEs performing work pursuant to the Research & Development Plan, detailed description of such work and other costs incurred pursuant to Section 4.2. Alexion shall submit invoices in U.S. dollars to Procter & Gamble. Invoices submitted to Procter & Gamble pursuant to this Section 8.5(g) are payable net thirty (30) days after receipt and are subject to audit by Procter & Gamble in addition to the audit provision pursuant to Section 8.8.

(h) All payments due under this Article VIII will be deposited by Electronic Funds Transfer in a bank chosen by Alexion by the date due. Any amounts or royalties prohibited from export by a particular country will be deposited in a bank chosen by Alexion in such country. Any deductions for withholding taxes imposed by the country in which Net Sales take place will be withheld and paid as required by law. The amount of tax withheld shall be for the account of Alexion. Procter & Gamble will provide prompt evidence of payment of such taxes to the governmental or taxing authority. Procter & Gamble will assist Alexion in claiming relief from double taxation and shall use reasonable efforts to minimize any income taxes required to be withheld on behalf of Alexion by Procter & Gamble, its Affiliates or sublicensees, and promptly shall deliver to Alexion copies of all communications from or with such governmental authority with respect thereto.

(i) Procter & Gamble shall report sales of Products by its sublicensees and

pay royalties on such sales on the same basis as if such sales had been made by Procter & Gamble. Procter & Gamble shall ensure that its sublicense agreements obligate sublicensees to pay royalties and report on such a basis, and shall further give Alexion a right to require (to the extent permitted under the applicable sublicense agreement) that Procter & Gamble initiate an audit of such sublicensees' books. Alexion shall reimburse Procter & Gamble for Auditing costs initiated at Alexion's request should the Auditor determine the cumulative material discrepancy (Procter & Gamble and Sublicensee) is less than 3%.

8.6. Records. Procter & Gamble (and its Affiliates and Sublicensees) and Alexion (and its Affiliates) will maintain, and will require their Affiliates to maintain, complete and accurate written records which are relevant to costs, expenses and payments under this Agreement and such records shall be open for inspection by a designated representative of the other Party with reasonable notice during reasonable business hours for a period of five years from creation of individual records. Such inspections are limited to two times per year.

8.7. Interest Rate. Unless otherwise provided in this Agreement, any payments past due will bear interest at the prime rate (such quoted in The Wall Street Journal on the first day of the month of the accrual) plus two (2) percentage points, compounded monthly.

8.8. Audit. Not more than once in any Fiscal Year and upon reasonable advance notice to the other party to this Agreement, Alexion or Procter & Gamble, as the case may be (the "Requesting Party"), shall be entitled to nominate a reasonably acceptable representative or independent certified public accountants reasonably acceptable to the other party to have access at reasonable times during normal business hours and upon reasonable prior notice (subject to signing a confidentiality agreement) to (a) Procter & Gamble's, its Affiliates' or sublicensees' records for Annual Contribution and Net Sales of Products (such audit of Procter & Gamble's sublicensee shall be initiated by Procter & Gamble), as the case may be, as they relate to the relevant Products for the purpose of verifying Procter & Gamble's calculation of royalty payments due hereunder or (b) Alexion' s records for Alexion' s calculation of FTE costs, Alexion Product Cost and any other costs to be paid by Procter & Gamble. Such accounting firm

shall not disclose to the Requesting Party or to any third party any financial or other information relating to the business of the party whose records are being audited (the "Audited Party") except that which is necessary to inform the Requesting Party of the accuracy or inaccuracy of the Audited Party's calculation. Should such accounting firm discover information indicating, in its opinion, an inaccuracy in the calculation of the royalty payments or the Alexion expenses subject to payment by Procter & Gamble, as the case may be, it shall so notify the parties in writing thereof (and shall set out its preliminary conclusions in reasonable detail).

The Audited Party shall advise the Requesting Party in writing within ten business days of receiving such notice should the Audited Party disagree with the determination of such representative or accounting firm. During the next 20 business days, such representative or accounting firm and the accountants of the Audited Party shall attempt to resolve the issue in dispute. Failing such agreement within such 20 day period, the accounting firm of the Requesting Party and the accountants of the Audited Party shall appoint another independent, nationally recognized accounting firm to conduct its own audit. The determination by such second accounting firm (the "Auditors") shall be final and binding on the parties. Any payments owed by the Audited Party shall be made within ten (10) days of the Audited Party's receipt of the Auditor's determination.

In the absence of material discrepancies (in excess of 3%) in any request for reimbursement or audit resulting from such examination or audit, the accounting expense shall be paid by the Party requesting the examination or audit. If material discrepancies adverse to the Party requesting the examination or audit do result, the Audited Party shall bear the accounting expenses.

Notwithstanding the foregoing, neither Party shall audit the same records twice.

Article IX - Patents, Trademarks and Infringement

9.1. Disclosure. Alexion shall disclose to Procter & Gamble Know-how, patents and developments in the Field included within Alexion Patents and Alexion Know-how known prior to the Effective Date. Further, each Party shall promptly disclose to the other Party any invention or Know-how or other developments in the Field. Invention disclosures in the Field will be disclosed in the normal course of the Agreement. Such disclosures will be made pursuant to Article X.

9.2. Alexion Obligation. Alexion shall take all such actions within its control required to maintain rights to Licensed Technology which is part of Alexion Patents and Alexion Know-how and, where necessary, subject to Section 2.4(b), shall take such action as Procter & Gamble reasonably deems necessary to enable Alexion to maintain such licenses, subject to the payment and performance by Procter & Gamble of its obligations and responsibilities under this Agreement and provided, that Alexion shall not be required to pay any licensor any funds in respect of Sales by Procter & Gamble, its Affiliates or sublicensees which it has not received from Procter & Gamble.

9.3. Patent Applications. Alexion and Procter & Gamble will discuss and evaluate technology disclosed pursuant to Section 9.1, and confer regarding the advisability of filing patent applications to cover any technology resulting from the collaboration under this Agreement. The Party responsible for the filing, prosecution and maintenance of patent applications (herein "Responsible Party") shall be: (a) Procter & Gamble, if the subject invention is made solely by employees of Procter & Gamble; or (b) Alexion, if the subject invention is made solely by employees of Alexion or a licensor or agent thereof or (c) determined by agreement of the Parties for all other inventions, taking into account the nature of the invention and the relationship of the invention to inventions claimed in other patents or applications. Any patent `for an invention conceived or reduced to practice regarding technology during the Agreement shall be owned: (i) by Alexion (and shall be an Alexion Patent), if said invention is conceived and reduced to practice solely by employees of Alexion; (ii) by Procter & Gamble

(and shall be a Procter & Gamble Patent with respect to a Product) if said invention is conceived and reduced to practice solely by employees of Procter & Gamble; and (iii) by Procter & Gamble and Alexion (and shall be a Joint Patent), if said invention is conceived and reduced to practice by employees of Procter & Gamble and Alexion. Inventorship shall be determined according to the laws of the USA. Any dispute regarding the inventorship of an invention made under the Research & Development Plan shall be resolved by the decision of independent patent counsel, mutually acceptable to the Parties, after consideration of all evidence submitted by the Parties, except to the extent such decision is inconsistent with the subsequent determination of the appropriate patent or judicial authorities. Filing, prosecution, maintenance and enforcement of such Patents shall be handled pursuant to Article IX. Alexion and Procter & Gamble will discuss with each other the advisability of filing Patent applications beyond the priority country.

9.4. Filing and Prosecution of Patents. The Responsible Party shall diligently file, prosecute, seek prompt issuance of, and maintain patent applications according to its own internal standards for effectively covering other inventions made by its employees or consultants. The Responsible Party will endeavor to ensure that all patent applications are filed before any public disclosures so as to ensure validity of patent applications filed outside of the United States. The Responsible Party will submit a substantially complete draft of each patent application to the other Party at least thirty (30) days prior to the contemplated filing date and consider any comments of the other Party, provided that in those circumstances where the Responsible Party believes time is of the essence, the Responsible Party will endeavor to provide the other with such advance notice as it reasonably can under the circumstances. Alexion and Procter & Gamble will confer with each other regarding the prosecution of such Patent Applications and will copy each other with any official action and submission in such Patent Applications. Except where otherwise noted, Procter & Gamble will be responsible for expenses associated with filing, prosecution and maintenance of Procter & Gamble patents and Alexion will be responsible for expenses associated with its patents.

9.5. Alternate Responsibility for Prosecution. In the event a Party determines that it will not file, prosecute or maintain, a Patent in the Field in a particular country, it shall promptly

notify the other Party, and such other Party shall then have the right, but not obligation, to assume responsibility for the Patent, and thereby become the Responsible Party for that Patent pursuant to Section 9.3. Such other Party shall be given all necessary authority by the Party not so filing, prosecuting or maintaining the Patent to file, prosecute, and maintain the Patent at the expense of such other Party.

9.6. Infringement of Patents. Procter & Gamble and Alexion shall promptly notify the other in writing of any infringement of a Patent within the Patent rights licensed or to be licensed pursuant to Article II of which they become aware. Procter & Gamble and Alexion shall also promptly notify the other party in writing of any patent rights a Third Party may assert against a Product or Marketed Product.

9.7. Enforcement of Patents.

(a) Third Party Licenses. If (a) Procter & Gamble believes that a license to a Third Party patent is necessary for sale of Products in a country outside the United States and (b) Alexion does not agree that such Third Party license is necessary, then the Parties will submit the issue to a mutually acceptable independent counsel who will determine whether such Third Party license is necessary for sale of such Product in such country. If such independent counsel determines that such Third Party license is necessary for sale of Products in such country, or if Alexion agrees with Procter & Gamble's assessment, the Parties will share license costs, with Alexion responsible for 10% of such costs and Procter & Gamble responsible for 90% of such costs. If such independent counsel determines that such license is not necessary, Procter & Gamble may execute such Third Party license and be responsible for all such costs.

(b) Defense and Settlement of Third Party Claims. If a Third Party asserts that a patent or other right owned by it is infringed by the manufacture, use or sale of any Product, then Procter & Gamble shall have the right but not the obligation to defend against any such assertions at its own expense, and Alexion shall have the right at its own expense to be represented by counsel of its own choice. In the event that Procter & Gamble declines to defend against such Third Party assertion, or Procter & Gamble fails to defend within sixty (60) days, then Alexion may defend against such assertion at its own expense.

(c) Infringement of Licensed Technology by Third Parties with Respect to Products. If any exclusively licensed Licensed Technology appears to be infringed by a Third Party in any country in connection with the manufacture, use, offer for sale, or sale of any Product or a functionally equivalent competitive product in such country, the Party to this Agreement first having knowledge of such infringement shall promptly notify the other in writing. The notice shall set forth the facts of that infringement in reasonable detail, to the knowledge of the Party. Alexion shall have the primary right, but not the obligation, to institute, prosecute, and control any action or proceeding with respect to such infringement, by counsel of its own choice, and Procter & Gamble shall have the right, at its own expense, to be represented by counsel of its own choice. If Alexion fails to bring an action or proceeding within a period of twenty-five (25) days after having knowledge of infringement of an Alexion Patent or a Joint Patent, Procter & Gamble shall have the right to bring and control any such action by counsel of its own choice. Alexion will retain control of non-exclusively licensed Licensed Technology and Procter & Gamble shall have the right to be represented in any such action by counsel of its own choice at its own expense. If one Party brings any such action or proceeding, the other Party agrees to be joined as a party plaintiff if necessary to prosecute the action and to give the first Party reasonable assistance and authority to file and prosecute the suit. No Party shall be obligated to bring or maintain more than one such suit at any time with respect to claims directed to any one method of manufacture or composition of matter or method of use.

(d) Infringement of Certain Exclusively Licensed Alexion Patents other than Licensed Technology or Joint Patents by Third Parties with Respect to Products. If an exclusively licensed Alexion Patent, not including Licensed Technology, or Joint Patent appears to be infringed by a Third Party in any country in connection with the manufacture, use, offer for sale, sale or import of any product including Product, the Party to this Agreement first having knowledge of such infringement shall promptly notify the other in writing. The notice shall set forth the facts of that infringement in reasonable detail, to the knowledge of the Party. Procter & Gamble shall have the primary right, but not the obligation to institute, prosecute, and control any action or proceeding with respect to such infringement of such exclusively licensed Alexion Patent or Joint Patent by counsel of its own choice, and Alexion shall have the right, at its own expense, to be represented in any action involving an exclusively licensed Alexion Patent or a

Joint Patent by counsel of its own choice. If Procter & Gamble fails to bring an action or proceeding within a period of twenty-five (25) days after having knowledge of infringement, Alexion shall have the right to bring and control any such action by counsel of its own choice, and Procter & Gamble shall have the right to be represented in any action by counsel of its own choice at its own expense. If one Party brings any such action or proceeding, the other Party agrees to be joined as a party plaintiff if necessary to prosecute the action and to give the first Party reasonable assistance and authority to file and prosecute the suit. If the Parties do not agree on a common course of action for any other such Patent within sixty (60) days following the notice provided under this Section 9.7, each Party may take such action as it determines to be in its best interest with respect to such apparent infringement.

(e) Infringement of Procter & Gamble Patent by Third Parties with Respect to Products. If a Procter & Gamble Patent appears to be infringed by a Third Party in any country in connection with the manufacture, use, offer for sale, sale or import of any Product, the Party to this agreement first having knowledge of such infringement shall promptly notify the other in writing. The notice shall set forth the facts of that infringement in reasonable detail to the knowledge of the Party. Procter & Gamble shall have the right, but not the obligation, to institute, prosecute, and control any action or proceeding with respect to such infringement.

(f) Monetary Awards. Any damages or other monetary awards recovered by reason of litigation under Section 9.7(b), 9.7(c) or 9.7(d) shall be allocated first to the costs and expenses of the Party bringing suit, then to the costs and expenses, if any, of the other Party. Any amounts remaining designated as lost profits shall be allocated to the Parties in a manner such that Alexion receives as nearly as possible the same amount as if Procter & Gamble had made Net Sales resulting in such lost profit. Any other amounts remaining shall be allocated fifty percent (50%) to the Party bringing suit and fifty percent (50%) to the other Party. No settlement or consent judgment or other voluntary final disposition of a suit under Section 9.7(b), (c) or (d) may be entered into without the consent of the Party not bringing the suit if such settlement, judgment or other disposition shall waive or affect any rights of the Party not bringing the suit or could result in the payment of money or impose any obligation on the Party not bringing the suit.

9.8. Trademarks. Procter & Gamble shall file, prosecute and maintain all trademark applications and registrations for trademarks to be used for Products or Marketed Products. Procter & Gamble shall pay all expenses in connection with filing and prosecution of such trademarks which shall be owned by Procter & Gamble.

9.9. Trademark Infringement and Enforcement. Alexion shall promptly notify Procter & Gamble of any infringement of a trademark under this Section 9.9 of which they become aware. Procter & Gamble may, but shall not be required to, prosecute any such alleged infringement or threatened infringement. Alexion shall cooperate fully with Procter & Gamble in such action. Any recovery obtained shall belong to Procter & Gamble.

9.10. Unauthorized Use of Patent Rights. Neither Party shall willfully take any action which would, directly or indirectly, infringe, or induce or contribute to the infringement of, one or more claims of any issued Patent of the other Party or its Affiliates, except to the extent such action is authorized by a license granted under this Agreement. If either Party takes any action, directly or indirectly, to challenge the validity of any issued patent of the other Party or its Affiliates, then the other Party shall have the right in its sole discretion to terminate the Research & Development Plan; provided, however, in the circumstances where the challenged patent is included within the patent rights of the other Party, the other Party additionally shall have the right to terminate the licenses granted under Article V above, to the extent permitted by law, on a country-by-country basis. A Party shall not be entitled to withhold payment of any royalty accruing during any challenge to the validity of a patent included within the patent rights of the other Party.

Article X - Confidentiality

10.1. Confidentiality and Non-Use Obligations. Each Party shall maintain in confidence all information (herein "Information") which is:

(a) disclosed to it by the other Party pursuant to Section 9.1;

(b) developed by the Party during the Term in the course of performance of the obligations under this Agreement;

(c) the terms of the Agreement; or

(d) other information ("Other Information") disclosed by the other Party which is outside the Field or otherwise not within the scope of the collaboration and which is considered confidential by the other Party, and so designated as confidential in writing when first disclosed or within thirty (30) days after disclosure if the first disclosure is oral (except for patent applications and related correspondence which shall be deemed confidential without being marked or any such designation).

The Party shall take all reasonable precautions to:

(a) prevent disclosure of such Information to Third Parties, except as set forth in Section 10.3 and Section 14.10, or as may be necessary for the filing or prosecution of patent applications pursuant to Article IX; and

(b) use Patents and Know-how pursuant to the rights and obligations of the Party pursuant to Article II.

The Party shall not use Other Information for any purpose.

These restrictions upon disclosure and use of Information shall terminate ten (10) years after the date of the termination of the Agreement, but shall not apply to any specific portion of Information which:

(i) is Information which can be demonstrated by the recipient to have already been in the possession of the recipient at the time of disclosure by the other Party;

(ii) is or later becomes available to the public, as evidenced by documents which were generally published, other than by default by the Party;

(iii) is received from a Third Party having legitimate possession thereof and the independent legal right to make such disclosure;

(iv) is Other Information developed by the Party entirely without reference or use of Information, as established by probative documentary evidence; or

(v) is required to be disclosed by law or government regulation.

10.2. Prior Non-Disclosure Agreements. The "Non- Disclosure Agreement" dated July 16, 1998 between Alexion Pharmaceuticals, Inc. and Procter & Gamble have separately been rendered void and all Information to be kept confidential under such agreements as of the Effective Date will be subject to the terms of Section 10.1 as if disclosed under this Agreement.

10.3. Research Manuscripts and Abstracts. It is understood that either Party may publish or otherwise disclose the results of the Research & Development Plan or of development studies of Collaboration Inhibitor in a reputable scientific forum (for example, as an abstract, poster presentation, lecture, article, book, or any other means of dissemination to the public). Such disclosures may be made to a Third Party with the approval of the Research & Development Steering Committee regarding (x) preclinical research; (y) clinical research disclosures after a final report exists, if disclosure presents no significant risk to regulatory filings and serves a compelling business reason for publication; and (z) other work by the Parties, upon approval by the Research & Development Steering Committee. No such disclosure shall be made to a Third Party until a patent application has been filed adequately describing and claiming any patentable technology embodied in such disclosure, pursuant to Article VII. A party wishing to make any such disclosure shall submit a complete written draft of the disclosure to the other Party at least thirty (30) days prior to submission for the disclosure to a Third Party. The Party shall consider any comments from the other Party. Any disputes regarding the appropriateness, content and authors of any such disclosure shall be resolved by the Research & Development Steering Committee.

Article XI -- Representations and Warranties

11.1. Governmental Compliance. Both Parties shall comply with all laws, rules and regulations applicable to the activities undertaken by both Parties hereunder.

11.2. Alexion Representations and Warranties.

(a) Alexion represents and warrants to Procter & Gamble the following, which shall be true and correct as of the Effective Date:

(i) Organization and Good Standing. Alexion is a corporation duly organized, validly existing, and in good standing under the applicable laws of incorporation and has full corporate power to own its properties and conduct the business presently being conducted by it, and is duly qualified to do business in, and is in good standing under, the laws of all states and nations in which its activities or assets require such status, except in any case where the failure to be so qualified and in good standing would not be material.

(ii) Power and Authority. Alexion has full corporate right, power and authority to perform its obligations pursuant to this Agreement, and this Agreement and the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of Alexion. This Agreement has been duly and validly executed by Alexion. Upon execution and delivery of this Agreement, it will be the valid and binding obligation of Alexion enforceable in accordance with its terms, subject to equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditor's right and remedies generally.

(iii) Violations and Consent. The execution, delivery and performance of this Agreement does not, and the consummation of the transactions therein contemplated will not violate any law, rule, regulation, order, judgment or decree binding on Alexion or result in a breach of any term of the certificate of incorporation or by-laws of Alexion or any contract, agreement or other instrument to which Alexion is a party, except in each case to an extent not material.

(b) Alexion represents and warrants to Procter & Gamble the following, which shall be true and correct as of the Effective Date:

(i) to the best of Alexion's knowledge, Alexion has disclosed to Procter & Gamble technical, scientific and regulatory information relating to the Collaboration Inhibitor, and has not intentionally withheld any such material technical, scientific or regulatory information; and

(ii) it owns or Controls under valid licenses the requisite rights to grant the licenses granted by it hereunder; and

(iii) Alexion has no actual knowledge of any information rendering invalid or unenforceable any Patent licensed to Procter & Gamble under Article II. Alexion will promptly inform Procter & Gamble

if it obtains such information after the Effective Date. Alexion has no actual knowledge of any Patents and Know-how owned by a Third Party that Alexion believes will prevent, inhibit, or limit the Parties from conducting the research, development and commercialization activities under this Agreement. Alexion warrants that, except with respect to the agreements for the Licensed Technology, it has not entered into any agreement with a Third Party that Alexion believes will prevent, inhibit, or limit the Parties from conducting the research, development and commercialization activities under this Agreement.

EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, ALEXION MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND WITH RESPECT TO THE ALEXION PATENTS, ALEXION KNOW-HOW, COLLABORATION INHIBITOR OR OTHER LICENSED TECHNOLOGY OR PRODUCTS, AND EXPRESSLY DISCLAIMS ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ANY OTHER IMPLIED WARRANTIES WITH RESPECT TO THE CAPABILITIES, SAFETY, UTILITY OR COMMERCIAL APPLICATION OF ALEXION PATENTS, ALEXION KNOW-HOW, COLLABORATION INHIBITOR OR OTHER LICENSED TECHNOLOGY OR PRODUCTS.

ALEXION AND ITS LICENSORS SHALL NOT BE LIABLE FOR ANY DIRECT, CONSEQUENTIAL OR OTHER DAMAGES SUFFERED BY PROCTER & GAMBLE OR ANY OTHERS RESULTING FROM THE USE OF THE ALEXION

PATENTS, ALEXION KNOW-HOW, COLLABORATION INHIBITOR OR OTHER LICENSED TECHNOLOGY OR PRODUCTS EXCEPT IN THE CASE OF ALEXION AS IT RELATES TO DIRECT DAMAGE PURSUANT TO ARTICLE XII.

11.3. Representations and Warranties of Procter & Gamble.

(a) Procter & Gamble represents and warrants to Alexion the following, true and correct on the Effective Date:

(i) Organization and Good Standing. Procter & Gamble is a corporation duly organized, validly existing, and in good standing under the applicable laws of incorporation and has full corporate power to own its properties and conduct the business presently being conducted by it, and is duly qualified to do business in. and is in good standing under, the laws of all states and nations in which its activities or assets require such status, except in any case where the failure to be so qualified and in good standing would not be material.

(ii) Power and Authority. Procter & Gamble has full corporate right, power and authority to perform its obligations pursuant to this Agreement, and this Agreement and the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of Procter & Gamble. This Agreement has been duly and validly executed by Procter & Gamble. Upon execution and delivery of this Agreement, it will be the valid and binding obligation of Procter & Gamble enforceable in accordance with its terms, subject to equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditor's rights and remedies generally.

(iii) Violations and Consent. The execution, delivery and performance of this Agreement does not, and the consummation of the transactions therein contemplated will not violate any law, rule, regulation, order, judgment or decree binding on Procter & Gamble or result in a breach of any term of the certificate of incorporation or by-laws of Procter & Gamble or any contract, agreement or other instrument to which Procter & Gamble is a party, except in each case to an extent

not material. No authorization is required by Procter & Gamble for the execution, delivery, or performance of this Agreement by Procter & Gamble, except in each case to an extent not material.

(iv) Evaluation. Procter & Gamble possesses the expertise and skill in the technical areas in which the Alexion Patents, Alexion Know-how, Collaboration Inhibitor and Products are involved necessary to make, and has made its own evaluation of the capabilities, safety, utility and commercial application of the Alexion Patents, Alexion Know-how, Collaboration Inhibitor and Products.

11.4. Limitation on Warranties. The Parties understand that the research and development work to be conducted pursuant to this Agreement will involve untested, experimental, and currently undeveloped technology and that neither Alexion nor Procter & Gamble guarantees the safety or usefulness of any Product. Except as otherwise provided in this Agreement, nothing herein shall be construed as a representation or warranty by either Party to the other that any Patent or Know-how or other intellectual property right owned or Controlled by such Party is valid, enforceable, or not infringed by any Third Party, or that the practice of such rights does not infringe any property right of any Third Party or that any Patent will issue based upon a pending patent application or that any such patent which issues will be valid.

11.5. Negative Covenants. Each Party hereby covenants to the other that such Party shall not use or practice the other Party's Patents or Know-how in any field or in any manner except as specifically licensed under this Agreement.

Article XII - Indemnification; Insurance

12.1. Indemnification.

(a) Research and Development Indemnification. Each party (the "Indemnifying Party") shall indemnify, defend and hold the other Party (the "Indemnified Party") harmless from

and against any and all liabilities, claims, damages, costs, expenses or money judgments incurred by or rendered against the Indemnified Party and its sublicensees incurred in the defense or settlement of a Third Party lawsuit or in a satisfaction of a Third Party judgment arising out of any injuries to person and/or damage to property resulting from (i) the gross negligence or willful or intentional misconduct in the performance by it of its responsibilities under the Research & Development Plan or otherwise under this Agreement, or (ii) personal injury to the Indemnified Party employees or agents or damage to the Indemnified Party's tangible property resulting from acts performed by, under the direction of, or at the request of the Indemnifying Party in carrying out activities contemplated by this Agreement. Notwithstanding the above, each Party shall indemnify and hold the other Party harmless from and against that portion of any and all Losses due to the gross negligence or willful or intentional misconduct of such Indemnifying Party. Further, Procter & Gamble shall not indemnify, defend or hold harmless Alexion for any claims or liabilities arising from the actions or inactions of Alexion prior to the date of this Agreement.

(b) Indemnification for Marketing. With respect to Products commercialized by Procter &Gamble under this Agreement, Procter & Gamble hereby agrees to save, defend, indemnify, and hold harmless Alexion, its agents and employees, and the principal investigator of the Licensed Technology and all licensors thereof, their officers, directors, trustees, employees and agents and all of their heirs, executors, administrators and legal representatives ("Indemnified Parties") from and against any and all such claims, actions, demands, loss, liability, expense or damage (including investigative costs, court costs and attorneys' fees) the Indemnified Parties may suffer, pay or incur as a result of claims, demands or actions against any of the Indemnified Parties to the extent arising or alleged to arise by reason of or in connection with any and all personal injury, economic loss and property damage caused or alleged to be caused or contributed to in whole or in part by the manufacture, use, handling, storage, sale, sublicense or other disposition of Products by Procter & Gamble, its Affiliates, agents or sublicensees, whether asserted under a tort or contractual theory or any other legal theory, including but not limited to any and all claims, demands, and actions in which it is alleged that (1) an Indemnified Party's negligence or representations about the Products caused any defect in their manufacture, design, labeling or performance or (2) subject to in the case of patents and in

respect to Alexion pursuant to Section 9.7, any alleged infringement of any patent, trademark or copyright, causes or contributed in whole or in part to the personal injury, economic loss of property damage.

(c) Affiliates; Sublicensees. Procter & Gamble shall be responsible for and indemnify and hold Alexion and its licensors harmless from and against all acts and omissions of its Affiliates and sublicensees, as if performed or failed to be performed by it under this Agreement.

(d) Procedure. Subject to Section 9.7, in the event that an Indemnified Party is seeking indemnification under Section 12.1(a), 12.1(b) or 12.1(c), it shall inform the Indemnifying Party of a claim as soon as reasonably practicable after it received notice of the claim, shall permit the Indemnifying Party to assume direction and control of the defense of the claim (including the right to settle the claim solely for monetary consideration), and shall cooperate as requested (at the expense of the Indemnifying Party) in the defense of the claim.

12.2. Insurance.

(a) Without limiting Procter & Gamble's indemnity obligations under Section 12.1. Procter & Gamble shall obtain or have obtained for it and it shall maintain or have maintained for it throughout the term of this Agreement and for at least ten (10) years after its termination or expiration (i) general liability insurance in comprehensive form with a combined single limit of no less than $10,000,000, which shall cover at least bodily injury, personal injury, liability, property damage and product liability claims with respect to any technology licensed to it hereunder, Patents, or Product practiced, used, manufactured or sold pursuant to any development, testing and commercialization of technology, Patents, or Product, and (ii) contractual insurance in broad form in amounts reasonable and prudent in light of the risks involved in development, testing and commercialization of Products. All such policies shall include a contractual endorsement naming the Indemnified Parties as additional insureds and providing coverage for all liability which may be incurred by the Indemnified Parties in connection with this Agreement and require the insurance carrier(s) to provide Alexion with no less than thirty (30) days written notice of any change in the terms or coverage of the policy(ies) or its cancellation. In no event, however, shall Procter & Gamble be obligated to maintain any

insurance in respect of Products manufactured or sold by Alexion.

(b) Notwithstanding the provisions of Section 12.2(a), if and so long as Procter & Gamble shall have a consolidated net worth of at least $1.0 billion, then the insurance coverage may be substituted by self-insurance provisions as such net worth and self-insurance shall be certified by a responsible corporate financial officer of Procter & Gamble. In such event, Procter & Gamble shall hold Alexion, its agents and employees, the principal investigators of the Licensed Technology and all licensors thereof, their officers, directors, employees and agents and all of their heirs, executors, administrators and legal representatives harmless from and against claims from Third Parties and other liabilities in a manner and measure equivalent to the insurance coverage otherwise required by this Section 12.2.

(c) Alexion has obtained insurance coverage customary for a company of its size, engaged in the research and development of pharmaceutical products.

Article XIII - Term, Termination: Change of Control

13.1. Effective Date and Term.

(a) Effective Date. Within three (3) days of the date first written above, the Parties shall file the appropriate documents with the U.S. Federal Trade Commission and the U.S. Department of Justice pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and including such Act's enabling regulations (collectively "HSR"). This Agreement shall become effective upon such date that the applicable HSR waiting period has expired or is otherwise terminated ("Effective Date").

(b) Term. Unless terminated earlier by the Parties pursuant to Sections 13.2 or 13.3, this Agreement shall commence on the Effective Date and expire on the later of (i) the date of the last to expire Alexion Patent or Joint Patent having a Valid Claim or (ii) the date when royalty payments are no longer payable pursuant to Section 8.2(a). Upon expiration of this Agreement in accordance with clause (i) or (ii) of this Section, each Party shall grant to the other Party a non-exclusive worldwide license to use its Know-how, within the Field; provided, that Procter & Gamble shall continue to be responsible for milestone payments in accordance with

Sections 8.1 and 8.2(b) of this Agreement as if this Agreement shall not have so expired.

13.2. Termination by Procter & Gamble.

(a) Failure to Meet Success Criteria. Procter & Gamble may terminate the Agreement upon six (6) months prior written notice to Alexion if at any time, in the reasonable judgment of the Research & Development Steering Committee while in effect and thereafter in the reasonable judgment of Procter & Gamble, the licensed technology or the Product fails to meet Success Criteria, to be effective at any time at least two (2) years after the Effective Date.

(b) Collapse of Working Hypothesis. If, within two (2) years after the Effective Date, Procter & Gamble shall reasonably determine, that the working hypothesis or scientific rationale underlying the Collaboration has collapsed and is no longer scientifically viable, then, unless Alexion shall agree in writing, Procter & Gamble shall be entitled to have such matter determined by peer review consensus. In such event, the Parties shall promptly submit such matter for determination by peer review consensus conducted by three scientists having expertise in the Field, one selected by Alexion, another by Procter & Gamble and the third by the two scientists so selected by the Parties. If Alexion shall have so agreed in writing or if such peer review consensus shall reasonably determine that the working hypothesis or scientific rationale underlying the Collaboration has collapsed and is no longer scientifically viable, then Procter & Gamble may terminate this Agreement by written notice to Alexion. Such notice shall be effective to terminate the obligations of Procter & Gamble under this Agreement upon receipt thereof by Alexion, except that, in order to provide for the orderly transition of responsibilities from Procter & Gamble to Alexion, the following obligations shall continue and the following shall occur: (i) the obligations and responsibilities of Procter & Gamble to fund FTEs at the level then in existence prior to such notice and make other payments contemplated by Section 4.2 shall continue until expiration of six (6) months after Alexion's receipt of such written notice of termination (subject to the reduction of such FTEs by Alexion in accordance with the orderly wind down by Alexion of such program), (ii) Procter & Gamble shall continue to be responsible for care and monitoring of clinical patients and other patients which have been dosed and (iii) Procter & Gamble shall assist Alexion in winding down any trials in progress in accordance with applicable industry standards and applicable governmental regulations.

13.3. Material Breach. Failure by either Party (the "Breaching Party") to comply with any of the material obligations contained in this Agreement shall entitle the other Party (the "Non-breaching Party") to give to the Breach Party notice specifying the nature of the breach and requiring it to cure such breach.

(a) If such breach involves the payment of money and is not cured or otherwise resolved by the Parties in writing within fifteen (15) days after receipt by the Breaching Party of such notice, either Party shall be entitled to initiate an audit under Section 8.8. In the event of such an audit, if the Auditor shall render an award of monetary damages payable to the Non-Breaching Party, and such amount shall remain unpaid for ten (10) days after the Breaching Party receives a copy of such judgment from the Non-breaching Party, the Non-breaching Party shall be entitled to terminate this Agreement.

(b) If such breach does not involve the payment of money, and is not cured or otherwise resolved by the Parties in writing within sixty (60) days after receipt by the Breaching Party of such notice, either Party shall be entitled to initiate arbitration under Section 14.4 and at its sole discretion suspend performance under this Agreement. If such breach is not cured or otherwise resolved by the Parties in writing within such sixty (60) day period, and neither Party initiates an arbitration, all licenses and other rights of the Breaching Party under Patents and Know-how of the Non-breaching Party and all rights thereunder shall terminate and revert to the Non-breaching Party.

(i) If the arbitrators find a material breach of this Agreement, then the Breaching Party may pay to the Non-breaching Party an amount equal to the amount of damages awarded by the arbitrators plus one hundred percent (100%) of such award. If the Breaching Party makes such a payment then the provisions of this Agreement shall continue in full force and effect. If the Breaching Party does not make such payment as provided in Section 13 .2(iii) below, this Agreement shall terminate and the Breaching Party shall pay to the Non-breaching Party the amount of damages awarded by the arbitrators.

(ii) If the arbitrators find a material breach of this Agreement, then the

Breaching Party may offer to pay to the Non-breaching Party, in consideration for the Non-breaching Party's election not to terminate the Agreement, an amount equal to the amount of damages awarded by the arbitrators plus fifty (50%) of such award. If the Non-breaching Party accepts such offer, the provisions of this Agreement shall continue in full force and effect. If the Breaching Party does not make such offer or if the Non-breaching Party rejects such offer, this Agreement shall terminate and the Breaching Party shall pay to the Non-breaching Party the amount of damages awarded by the arbitrators.

(iii) Any payment required under the terms of Sections 13.3(a) or 13.3(b) shall be made in USD to the bank designated by the Party to be paid hereunder within ten (10) days after the determination of the audit contemplated by Section 8.7 or the decision of the arbitrators, as the case may be.

(iv) Notwithstanding anything herein to the contrary, each Party may avail itself of the provisions of clause (i) and (ii), collectively, on a single occasion only.

13.4. Bankruptcy. A Party may terminate (the "Terminating Party") this Agreement upon written notice, at any time after the other party (the "Bankrupt Party") is (1) dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefits of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditor's rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereon (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian

or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable law of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

13.5. Termination by Mutual Consent. This Agreement may be terminated by mutual written consent of the Parties and rights hereunder divided as the Parties agree in writing.

13.6 Certain Effects of Termination.

(a) Termination by Procter & Gamble for Scientific Reasons; Termination by Alexion. Effective upon a termination under Section 13.2 or by Alexion in accordance with Section 13.3 or 13.7(b), the following shall occur:

(i) Procter & Gamble's licenses under the Alexion Patents and Alexion Know-how shall automatically be deemed to have terminated and all rights thereunder shall automatically be deemed to have reverted to Alexion; and Procter & Gamble shall be deemed to have transferred title to Alexion of all raw data generated from any clinical or nonclinical studies conducted hereunder by Alexion for Procter & Gamble;

(ii) Procter & Gamble shall, at the option of Alexion, either deliver to Alexion or discontinue to use and, with respect to materials other than raw data and biologics, destroy, all copies of Alexion Confidential Information and any other materials provided by Alexion to Procter & Gamble hereunder in the possession or Control of Procter & Gamble, its Affiliates or sublicensees, and shall furnish to Alexion an affidavit signed by a corporate officer or the Associate General Counsel of Procter & Gamble certifying that such delivery or destruction has been fully effected. Notwithstanding the foregoing, and provided Procter &

Gamble fulfills its obligations specified in this Agreement with respect to such materials. Procter & Gamble's Associate General Counsel may continue to retain solely for archival purposes a single copy of Alexion's Confidential Information and any other materials provided by Alexion, except that all biologics and original versions of raw data generated from any clinical or nonclinical studies conducted hereunder by Alexion for Procter & Gamble shall be transferred to Alexion.

(iii) Procter & Gamble shall be deemed to have granted to Alexion a fully-paid, exclusive worldwide license with the right to grant sublicenses, to Procter & Gamble's entire right, title and interest in Joint Patents, in the Field, which may be necessary for the sale of a Product and to Procter & Gamble Know-how, to make, have made, use and have used, import and have imported, offer for sale and sell and have sold Products, including all inventions, discoveries and improvements to Alexion Patents, Alexion Know-how, Collaboration Inhibitor and Products to which Procter & Gamble shall then have any rights;

(iv) Procter & Gamble shall be deemed to have granted to Alexion an exclusive or non-exclusive worldwide license, as Alexion shall elect with the right to grant sublicenses, to Procter & Gamble Patents, in the Field, which may be necessary for the sale of Products. The royalty rate will be negotiated by the Parties upon commercially reasonable terms, and will fairly reflect whether the license is on an exclusive or non-exclusive basis. If the Parties are unable to agree on such terms, either Party may submit such dispute to be settled by arbitration in accordance with Section 14.4.

(v) Procter & Gamble shall transfer to the Alexion or its designee title to and sponsorship of all Health Registrations, approvals and rights with respect to the Product anywhere in the Territory, and if title to and sponsorship of any such Health Registrations, approvals or rights is not transferable, then Procter & Gamble shall use all Commercially Reasonable Efforts to enable Alexion or its designee to make use of and prosecute such Health Registrations, approvals or rights;

(vi) Procter & Gamble shall, if such termination shall occur at any time after a trademark shall be used outside of Procter & Gamble for a Product (in trials, pre-launch or otherwise), transfer to Alexion, or grant a fully-paid royalty-free exclusive transferable license (with the right to sublicense) to Alexion for use and control of, all trademarks for the Product that

are owned by Procter & Gamble anywhere in the Territory; and

(vii) Take any other steps which can only be taken by Procter & Gamble, necessary for Alexion or its designee to be able to market, promote, distribute, sell and manufacture Products in each country in the Territory without undue delay; and

(viii) Procter & Gamble shall indemnify, defend and hold Alexion harmless in accordance with Article XII above from the performance by it of its responsibilities under Section 3.2 prior to the date of termination and under Section 13.2(b) and this Section 13.6 after such termination.

(b) Breach by Alexion. If Procter & Gamble shall terminate this Agreement in accordance with Section 13.3 due to a breach by Alexion, all licenses and other rights granted by Alexion to Procter & Gamble shall terminate and revert to Alexion, and Procter & Gamble shall continue to own the raw data generated from any clinical or nonclinical studies theretofore conducted hereunder by Alexion for Procter & Gamble. Alexion shall be entitled, at its option, to purchase such raw data from Procter & Gamble upon terms commercially reasonable, to be negotiated by the Parties. If the Parties are unable to agree on such terms, either Party may submit such dispute to be settled by arbitration in accordance with Section 14.4.

13.7. Chance of Control. In the event of a Change in Control, as that term is defined in Section 13.9(a), of either the Parties or their respective Affiliates that are primarily responsible for undertaking the obligations under this Agreement (each collectively or individually then referred to as the "Acquired Company"), then the Party affiliated with the Acquired Company shall notify the other Party of any such Change in Control as soon as the Change in Control may publicly be announced. Upon receipt of any such notification, the other Party or an Affiliate thereof (the "Electing Company") shall have the unilateral right to give notice to the Acquired Company within thirty (30) days after its next regularly scheduled board meeting, but in no event longer than sixty (60) days after receipt of the Acquired Company's notification that, the Electing Company:

(a) if the Electing Company shall be Procter & Gamble, Procter & Gamble may elect as provided in clause (i) or (ii) below:

(i) Procter & Gamble may elect not to continue any one or more of the three activities of Alexion under this Agreement specified below in clauses (1), (2) and/or (3) (each an "Alexion Interest"), as follows:

(1) Research - the research and development collaboration under Sections 3.1 and 3.2 of this Agreement, in which case the Research & Development Steering Committee shall develop a transition plan for the orderly cessation by Alexion of its responsibilities with respect to the collaboration under Sections 3.1 and 3.2 of the Agreement ("Alexion's Research Interest") within six (6) months of receipt by Alexion of such notice to discontinue (including the maintenance of patient care, FTE termination, adverse event responsibilities and regulatory matters) and upon the expiration of six (6) months after such notice from Procter & Gamble, Alexion's Research Interest shall terminate and Procter & Gamble shall be entitled to terminate FTE funding in accordance with Section 4.2 hereof or

(2) Co-Promotion - the co-promotion of Products by Alexion under Section 7.3 of this Agreement, in which case (x) if Alexion shall not have elected in writing to participate in the marketing of Products as contemplated by Section 7.3 of this Agreement, Alexion shall cease such co-promotion activities within thirty (30) days after such notice, without charge, and (y) if Alexion shall have elected in writing to participate in the marketing of Products as contemplated by Section 7.3 of this Agreement, a determination pursuant to Section 13.9(c) will be made of the Purchase Price of the co-promotion rights in Alexion under Section 7.3 of the Agreement, including any rights it may have with respect to a co-promotion agreement with Procter & Gamble with respect to Products ("Alexion's Co-Promotion Interest"), and within fifteen (15) days following such Purchase Price determination Procter & Gamble will make the further election, in writing, either to (a) purchase Alexion's Co-Promotion Interest, or (b) rescind its election to purchase Alexion's Co-Promotion Interest as aforesaid. If after the date the Purchase Price of Alexion's Co-Promotion Interest shall be determined as aforesaid, Procter & Gamble shall elect to purchase Alexion's Co-Promotion Interest, upon the expiration of six (6) months after receipt by Alexion of such written election from Procter & Gamble, Alexion's Co-Promotion Interest shall terminate or

(3) Manufacturing - the commercial manufacturing of Products by Alexion under Section 5.1(b) of this Agreement, in which case (x) if Alexion shall not have entered into a commercial manufacturing agreement with Procter & Gamble for Products as contemplated by Section 5.1(b) of this Agreement, Alexion shall cease such manufacturing activities within thirty (30) days after receipt of such notice, without charge, and (y) if Alexion shall have entered into a commercial manufacturing agreement with Procter & Gamble as contemplated by Section 5.1(b) of the Agreement, a determination pursuant to Section 13.9(c) will be made of the Purchase Price of the commercial manufacturing rights of Alexion under Section 5.1(b) of the Agreement, including any rights it may have with respect to a manufacturing agreement with Procter & Gamble with respect to Products ("Alexion's Manufacturing Interest"), and within fifteen (15) days following such Purchase Price determination Procter & Gamble will make the further election, in writing, either to (a) purchase Alexion's Manufacturing Interest, or (b) rescind its election to purchase Alexion's Manufacturing Interest as aforesaid. If after the date the Purchase Price of Alexion's Manufacturing Interest shall be determined as aforesaid, Procter & Gamble shall elect to purchase Alexion's Manufacturing Interest, upon the expiration of six (6) months after receipt by Alexion of such written election from Procter & Gamble, Alexion's Manufacturing Interest shall terminate.

The rights set forth above to terminate or discontinue Alexion's Research, Co-Promotion and/or Manufacturing Interests under the circumstances set forth above shall in no event affect or impair any of the parties rights or obligation with respect to Patents and Know-how under this Agreement, including without limitation the continuing obligation of Procter & Gamble to make milestone, royalty and sublicense payments pursuant to Sections 8.1, 8.2 and 8.3 hereof, all of which shall survive any such termination or discontinuance of Alexion's Research, Co-Promotion and/or Manufacturing Interests. The right of Procter & Gamble to terminate such Interests is divisible and can be exercised by Procter & Gamble with respect to one or more of such Interests.

(ii) Procter & Gamble may elect to continue any one or more of Alexion's Research, Co-Promotion and Manufacturing Interests, in which case Procter & Gamble may request in writing that the ultimate parent of the entity acquiring control of the Acquired Company agree to commit in writing, within twenty (20) days after receipt of such request, to continue to perform the specified Alexion Interest or Interests, to otherwise agree to be bound by the provisions of this Agreement, and to agree to commit in writing to duly and timely pay, perform and discharge all of the obligations of the Party affiliated with the Acquired Company under this Agreement, including without limitation, all of the obligations to be performed by it during the immediately succeeding twenty-four months of the then existing Research & Development Plan, a copy of which Plan shall accompany any such notice. If and to the extent that Procter & Gamble shall fail to elect to proceed as provided in clause (i) above, Procter & Gamble shall be deemed to have elected to proceed in accordance with this clause (ii). If and to the extent the ultimate parent of the acquiring entity accepts these conditions, the specified Alexion Research, Co-Promotion and Manufacturing Interest or Interests, as the case may be, shall continue, and the option of Procter & Gamble to elect to terminate or purchase such Alexion Interest or Interests in accordance with clause (i) above shall expire, unless Procter & Gamble shall elect to proceed in accordance with clause (i) with respect to such Alexion Interest or Interests within thirty (30) days prior to the expiration the period of one (1) year from the date of the Change of Control or such longer period as the Parties shall agree in writing with respect to the specified Alexion Interest or Interests (the "Trial Period"). If the ultimate parent of the acquiring entity fails to give notice within the required period that it will be bound by the provisions of this Agreement, Procter & Gamble shall be deemed to have exercised its option to terminate the specified Alexion Interest or Interests as of the expiration of such twenty (20) day period and to proceed in accordance with clause (i) above.

(b) if the Electing Party shall be Alexion, Alexion may request in writing that the ultimate parent of the entity acquiring control of the Acquired Company agree to commit in writing, within twenty (20) days after receipt of such request, to continue to perform the collaboration, to otherwise agree to be bound by the provisions of this Agreement, and to agree to commit in writing to duly and timely pay, perform and discharge all of the obligations of the Party affiliated with the Acquired Company under this Agreement, including without limitation, all of the obligations to be performed by it during the immediately succeeding twenty-four months of the then existing Research & Development Plan, a copy of which Plan shall accompany any such notice. If and to the extent the ultimate parent of the acquiring entity accepts these conditions, the collaboration shall continue. If the ultimate parent of the acquiring entity fails to give notice within the required period that it will be bound by the provisions of this Agreement as aforesaid, Alexion shall be deemed to have terminated this Agreement as of the expiration of such twenty (20) day period.

13.8. Substantial Stock Accumulation. In the event of a Substantial Stock Accumulation in either the Procter & Gamble Parent or the Alexion Parent, as soon as the Party affiliated with the Affected Company has knowledge of the Substantial Stock Accumulation, it shall give prompt notice to the other Party. Such notice shall be separate from and in addition to the notice provided for in Section 13.7 and must be given regardless of whether the Party affiliated with the Affected Company regards the Substantial Stock Accumulation as being not in the best interest of the collaboration. From the date on which the Party affiliated with the Affected Company has notice of the Substantial Stock Accumulation, the following provisions shall become effective and remain effective until the Substantial Stock Accumulation is eliminated, unless otherwise agreed:

(i) If the Party that is not affiliated with the Affected Company reasonably determines in good faith that the person or entity making the Substantial Stock Accumulation is a competitor of such Party or its Affiliates in the Field with a Competing Product such Party may so inform the other Party in writing. Promptly after receipt of such notice, the Party affiliated with the Affected Company shall establish a procedure whereby no director or executive employee of the Affected Company who was not a director or employee of the Affected Company prior to the Substantial Stock Accumulation, and who was previously a director or employee of the person or entity making the Substantial Stock Accumulation (a "Tainted Director or Executive"), shall receive any of the following: (x) confidential information of the other Party and its Affiliates; and (y) of the collaboration, except that any such Tainted Director or Executive confidential scientific Information can be given information as to actual and projected sales and profits of the collaboration.

(ii) If the Party that is not affiliated with the Affected Company does not give notice pursuant to this Section 13.8 the Party affiliated with the Affected Company shall establish a procedure whereby no Tainted Director or Executive shall receive confidential information of the other Party and its Affiliates but need not place any restrictions on confidential or other information of the collaboration.

(iii) In the event of a material violation of this Section 13.8, the non-breaching Party may, without resort to the dispute resolution procedure set forth in

Section 14.4, bring an immediate court action or enjoin such violation and to recover any damages that it may have incurred by reason of such violation.

13.9. Definitions.

(a) For purposes of this Agreement, a "Change in Control" of a company shall be deemed to have occurred in the event of (i) a merger, combination, reorganization or consolidation of the company with or into another corporation with respect to which less than a majority of the outstanding voting power of the surviving or consolidated corporation is held by shareholders of the company immediately prior to such event, (ii) the sale of all or substantially all of the properties and assets of the company and its subsidiaries, or (iii) the acquisition by any individual, firm, corporation, or entity (other than any profit sharing or other employee benefit plan of the company or any Affiliate, or any employee or group of employees or former officers an/or directors of the company or its Affiliates) of beneficial ownership, directly or indirectly, of securities of the company representing more than forty percent (40%) of the combined voting power of the company's then outstanding voting securities; provided, however, that no such event referred to in clause (i) or (iii) above with respect to Alexion may result in a Change of control of Alexion unless the market capitalization of the other company involved in the transaction referred to in the clause (i) or (iii) above, as the case may be, prior to the public announcement of such transaction, shall be more than five (5) times the nmarket capitalization of Alexion at such time. Notwithstanding the foregoing, for purposes of this Section 13.9(a), a Change in Control shall only be deemed to occur for Procter & Gamble if there is a Change in Control of The Procter & Gamble Company or Procter & Gamble Pharmaceuticals, Inc.

(b) A "Substantial Stock Accumulation" of a company shall be deemed to have occurred in the event of the accumulation by any individual, firm, corporation, or entity (other than any profit sharing or other employee benefit plan of the company or any Affiliate, or any employee or group of employees or former officers an/or directors of the company or its Affiliates) of beneficial ownership, directly or indirectly, of securities of the company representing more than forty percent (40%) of the combined voting power of the company's then outstanding voting securities.

(c) The "Purchase Price" for purposes of Section 13.7 shall be determined as follows:

(i) Purchase Price refers to such of Alexion's Co-Promotion and Manufacturing Interests as shall be the subject of an election by Procter & Gamble to purchase, and shall be equal to the Valuation (as defined herein) of such Interest to be purchased under this Agreement, determined as follows: Each Party shall designate an investment banking firm of its choice, and each investment banking firm will be asked to prepare an appraisal as to the fair market value of such of Alexion's Co-Promotion and/or Manufacturing Interests as a going career that would be received in cash from a Third Party if a sale of such Interest or Interests were made to a Third Party with the consent of the other Party, taking into account any contractual obligation of either Party or its Affiliates to refrain from manufacturing or marketing a product competitive with the products in the Territory for any period, the value of the information, Patents and Know-how, and other assets being licensed and the potential market for such Products and Marketed Products in the Territory (a "Valuation"). For such Valuation, Alexion shall be entitled (1) to add to its Manufacturing Interest any testing, manufacturing and production assets used or useful solely or dedicated to manufacture Products and (2) to add toits Co-Promotion Interest resources used or useful solely or dedicated to such Co-Promotion Interest, and the fair market value thereof shall be included within the Valuation. The investment bankers will be asked to submit their Valuations of Alexion's Interest or Interests within thirty (30) days after the Purchase Date as defined in Section 13.9(c)(v). In the event of a Party's failure to obtain an investment banking firm's Valuation within thirty (30) days after the Purchase Date, the Valuation will be the Valuation determined by the investment banking firm appointed by the other Party.

(ii) If the difference between the lower Valuation and the higher Valuation is not more than ten percent (10%) of the higher Valuation, or if the Valuations are equal, the final Valuation shall be the average of the Valuations. If the difference between the two (2) Valuations is more than ten percent (10%) of the higher Valuation, the investment bankers will select a third investment banking firm from those known as major bracket investment banking firms, and that firm shall also prepare a Valuation. The third investment banking firm will not have access to the Valuations prepared by the

other investment banking firms. The two (2) Valuations that are the closest in value then shall be averaged, and the resulting average shall be the final Valuation.

(iii) The purchase of an Alexion Interest shall thereafter be consummated by payment of the Valuation within sixty (60) days after receipt of all investment bankers' valuations or such later date upon which all necessary regulatory approvals have been obtained and/or regulatory waiting periods have expired.

(iv) Each Party shall bear the expense of obtaining the Valuation of the investment bankers selected by such Party, and if a third investment banker is selected, the expense of obtaining its Valuation shall be borne equally by the Parties.

(v) Unless otherwise agreed in writing by the Parties, the Valuation for an Alexion Interest shall be calculated as of the date of the Electing Company's notice that it elects to exercise its option to purchase such Alexion Interest or Interests under Section 13.7(a)(i) (such date shall be referred to as the "Purchase Date").

(vi) During the pendency of the option election and valuation process, the Parties shall continue to perform their customary activities under this Agreement.

13.10. Surviving Rights. Except as modified in Sections 13.1(b), 13.3 and 13.6 hereof, the obligations and rights of the Parties under Articles VIII, X, XI, XII and XIII shall survive termination or expiration of this Agreement.

13.11. Accrued Rights. Surviving Obligations. Termination or expiration of this Agreement for any reason shall be without prejudice to any rights which shall have accrued to the benefit of either Party prior to such termination or expiration, including, without limitation, the payment obligations under Section 4.2 and Article VIII hereof and any and all damages arising from any breach hereunder. Such termination or expiration shall not relieve either Party from obligations which are expressly indicated to survive termination or expiration of the Agreement.

13.12. Termination Not Sole Remedy. Termination is not the sole remedy under this Agreement and, whether or not termination is affected, all other remedies will remain available except as agreed to otherwise herein.

13.13. Certain Injunctive Relief. Due to the important confidentiality concerns of the parties, and for other reasons, the parties will be irreparably damaged in the event that the provisions of Articles X and XIII hereof are not specifically enforced. In the event of a breach or threatened breach of the terms, covenants and/or conditions of either such Article by any of the parties hereto, the other party shall, in addition to any other remedies it may have, be entitled to a temporary or permanent injunction, without showing any actual damage, and/or a decree for specific performance, in accordance with the provisions of such Articles.

Article XIV - Miscellaneous

14.1. Force Majeure. Neither Party shall lose any rights hereunder or be liable to the other Party for damages or loss on account of failure of performance by the Defaulting Party if the failure is occasioned by government action, war, fire, explosion, flood, strike, lockout, embargo, act of God, or any other similar cause beyond the reasonable control of the Defaulting Party, provided that the Party claiming force majeure has exerted all reasonable efforts to avoid or remedy such force majeure and given prompt notice to the other Party.

14.2. Notices. Any notices or communications provided for in this Agreement to be made by either of the Parties to the other shall be in writing, in English, and shall be made by prepaid air mail with return receipt addressed to the other at its address set forth above. Any such notice or communication may also be given by hand or facsimile to the appropriate designation with confirmation of receipt. Either Party may by like notice specify an address to which notices and communications shall thereafter be sent. Notices sent by mail shall be effective upon receipt; notices given by hand shall be effective when delivered.

Notices for Alexion shall be sent to:

Alexion Pharmaceuticals, Inc.
Attn: President
25 Science Park
New Haven, Connecticut 06511

With copy to:

Golenbock, Eiseman, Assor & Bell
Attn: Lawrence M. Bell, Esq.
437 Madison Avenue
New York, New York 10022

Notices for Procter & Gamble shall be sent to:

Procter & Gamble Pharmaceuticals, Inc.
Attn: President
10200 Alliance Road
Cincinnati, Ohio 45242-4716

With copy to:

Procter & Gamble Pharmaceuticals, Inc.
Attn: Associate General Counsel
10200 Alliance Road
Cincinnati, Ohio 45242-4716

14.3. Governing Law. This Agreement shall be governed by the laws of the State of Delaware, as such laws are applied to contracts entered into and to be performed within such state. Any claim or controversy arising out of or related to this Agreement or any breach hereof shall be submitted to arbitration pursuant to Section 14.4. The United Nations Convention on Contracts for the International Sale of Goods will not apply to this Agreement.

14.4. Arbitration. Except as otherwise provided in Sections 8.8, 9.3, 9.7(a), 13.11 and 13.13 of this Agreement, disagreements shall be settled by arbitration in accordance with the

commercial arbitration rules of the American Arbitration Association. However, nothing contained herein shall prevent the party or parties hereinafter indicated from pursuing any and all of their rights and remedies in the courts of any competent jurisdiction, without submitting the same to arbitration or consenting to the arbitration thereof as it relates to the following:

(i) Either Party, in the event of a default or alleged default by the other Party in the payment of its monetary obligations under Section 4.2 or Article VIII hereof.

(ii) Either Party, in the event of the occurrence or alleged occurrence of an event of a breach or alleged breach by the other of any of the provisions of Article X or XII hereof.

The parties further agree that each such disagreement be submitted to a panel of three (3) impartial arbitrators with each Party selecting one (1) arbitrator within fifteen (15) days of a request for arbitration and the two (2) selected arbitrators selecting a third arbitrator who is experienced in the United States pharmaceutical industry within thirty (30) days after the request. Any arbitration hereunder shall commence within thirty (30) days after appointment of the third arbitrator and shall be held in Cincinnati, Ohio, if such arbitration is requested by Alexion or New Haven, Connecticut, if such arbitration is requested by Procter & Gamble. Upon reasonable notice and prior to any hearing, the Parties will allow document discovery and will disclose all materials relevant to the subject matter of the dispute. The arbitrators shall make final determinations as to any discovery disputes. The decision of the arbitrators shall be rendered no later than sixty (60) days after commencement of arbitration. The costs of arbitration shall be split by the parties unless the arbitrators decide otherwise. Any judgment or decision rendered by the panel shall be binding upon the Parties and shall be enforceable by any court of competent jurisdiction.

14.5. Non-waiver of Rights. Except as specifically provided for herein, the waiver from time to time by any of the parties of any of their rights or their failure to exercise any remedy shall not operate or be construed as a continuing waiver of same or of any other of such Party's rights or remedies provided in this Agreement.

14.6. Severability. If any term, covenant, or condition of this Agreement or the application thereof to any Party or circumstance shall, to any extent, be held to be invalid or unenforceable, then (i) the remainder of this Agreement, or the application of such term, covenant or condition to Parties or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant, or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law and (ii) the Parties hereto covenant and agree to renegotiate any such term, covenant, or application thereof in good faith in order to provide a reasonably acceptable alternative to the term, covenant, or condition of this Agreement or the application thereof that is invalid or unenforceable, and in the event that the Parties are unable to agree upon a reasonably acceptable alternative, then the Parties agree that a submission to arbitration shall be made in accordance with Section 14.4 to establish an alternative to such invalid or unenforceable term, covenant, or condition of this Agreement or the application thereof, it being the intent that the basic purposes of this Agreement are to be effectuated.

14.7. Entire Agreement. This Agreement sets forth all the covenants, promises, agreements, warranties, representations, conditions, and understandings between the Parties hereto in the scope of the Collaboration, with the exception of any agreements by the Parties executed at an even date hereof, and supersedes and terminates all prior agreements and understanding between the parties under this Agreement. No subsequent alteration, amendment, change, or addition to this Agreement shall be binding upon the Parties hereto unless reduced to writing and signed by the respective authorized officers of the Parties.

14.8. Retained Rights. Nothing in this Agreement shall limit in any respect the right of either Party to conduct research and development with respect to and market products outside the Field using such Party's technology including know-how and Patents.

14.9. Assignment.

(a) The Parties recognize that each may perform some of its obligations hereunder through Affiliates; provided, however, that Procter & Gamble and Alexion shall

remain responsible and be guarantors of such performance by their Affiliates and shall cause their Affiliates to comply with the provisions of this Agreement in connection with such performance.

(b) Except as provided in Section 14.9(c) below, Procter & Gamble and Alexion may only assign their rights under this Agreement in any country of the Territory to a Third Party with written permission of the other Party, which permission will only be given at its sole discretion.

(c) Upon a Change of Control of Alexion, Procter & Gamble may assign all but not less than all of its rights under this Agreement to a financially responsible Third Party, on the terms and conditions set forth in this Section 14.9(c). If Procter & Gamble shall intend to assign its rights under this Agreement, it shall give Alexion written notice thereof, and Alexion or a parent thereof shall be entitled, for sixty (60) days thereafter to negotiate a purchase of such rights from Procter & Gamble.

If the Parties cannot agree within such sixty (60) day period and if Procter & Gamble shall intend to assign its rights under this Agreement to a Third Party, it shall give Alexion prior written notice, specifying the intended assignee, the terms and conditions of such assignment and the intended closing date. Alexion or a parent thereof shall have the first and prior right of refusal with respect to the rights and properties to be assigned, at the same price and upon the same terms and conditions as offered by the proposed Third Party assignee. Alexion shall have a period of thirty (30) days from the receipt of such written notice (which shall include a copy or, to the extent confidential, describe the terms and conditions of such Third Party offer) within which to accept or reject the same. If Alexion elects to accept the terms of the Third Party offer, it shall so signify within such thirty (30) day period by notice to Procter & Gamble. If Alexion fails to accept such offer, Procter & Gamble shall have the right, during a period of ninety (90) from the date the last Third Party offer to Alexion expires, to assign its right under this Agreement to the intended assignee, at the same price and upon the same terms and conditions as were set forth in the notice of the proposed Third Party assignee's offer last received by Alexion as herein provided, in a bona fide transaction. If any of the price or terms offered to or by such intended assignee shall change to be more favorable to the assignee, Procter & Gamble shall give Alexion written notice thereof and Alexion or a parent thereof shall have the right to purchase

such rights and properties on such revised terms. If Alexion or a parent thereof shall not accept any such revised offer within fifteen (15) days after receipt of the latest revised offer, Procter & Gamble shall be entitled to make such assignment to such Third Party on the terms last offered to Alexion. For such assignment to be effective, such Third Party shall deliver to Alexion, prior to the effective date of such assignment, a written confirmation of the agreement of such Third Party to be bound by the provisions of this Agreement and its commitment to duly and timely pay, perform and discharge all obligations of Procter & Gamble under this Agreement, including without limitations, all of the obligations to be performed by it under the existing Research & Development Plan, a copy of which Plan shall accompany such written agreement. Such assignee shall not have the right to further assign this Agreement under this clause (c).

14.10. Publicity.

(a) The Parties will jointly prepare and agree upon the public announcements of the execution of this Agreement. Thereafter, Procter & Gamble and Alexion will jointly discuss, based on the principles of this Section 14.10, any press releases and any other public statements (other than those contemplated by Section 10.3 above) regarding the subject matter of this Agreement, the research to be conducted under this Agreement or any other aspect of this Agreement, subject in each case to disclosure otherwise required by law or regulation. Each Party shall afford the other Party a reasonable opportunity to review a press release prepared by it.

(b) In the discussion and agreement of Section 14.10(a), the principles observed by Procter & Gamble and Alexion will be accuracy, the requirements for confidentiality under Article X, the advantage a competitor of Procter & Gamble or Alexion may gain from any statement under Section 14.10(a), the requirements of disclosure under any securities laws or regulations of the United States, including those associated with SEC and regulatory filings and public offerings, the restrictions imposed by the Federal Food, Drug and Cosmetic Act, and the standards and customs in the pharmaceutical industry for such disclosures by companies comparable to Procter & Gamble and Alexion.

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

Article XV - Execution

15.1. In witness whereof, the Parties have executed this Agreement in duplicate originals by their proper officers as of the date and year first written above.

The Procter & Gamble Company

By: /s/ Mark A. Collar

Mark A. Collar
Vice President - Global Pharmaceuticals,
Procter & Gamble Worldwide

Form MPM

Finance WCH

Execution AFM

Alexion Pharmaceuticals, Inc.

By: /s/ Leonard Bell

Leonard Bell
President and Chief Executive
Officer

Schedule 1.5

Alexion Patents

Non-Exclusive License from Enzon ("Ladner Patents" etc.)

Title (of priority app.)	Country	Application Date	Priority Date	Application/ Patent No.	Issue Date	Expires (calculated)
Single Polypeptide Chain Molecules	US	01/18/89	09/02/86	4,946,778	08/07/90	08/07/07
	"	04/25/90	"	5,260,203	11/09/93	11/09/10
	"	04/01/93	"	5,445,030	10/03/95	10/03/12
	"	06/06/95	"	5,518,889	05/21/96	05/21/13
	"	06/06/95	"	5,534,621	07/09/96	07/09/13
	PCT	09/02/87	"	PCT/US87/02208		
	EPO	"	"	0281604	03/31/93	09/02/06
	AT	"	"	"	"	"
	BE	"	"	"	"	"
	FR	"	"	"	"	"
	DE	"	"	"	"	"
	IT	"	"	"	"	"
	LU	"	"	"	"	"
	NL	"	"	"	"	"
	SE	"	"	"	"	"
	CH	"	"	"	"	"
	GB	"	"	"	"	"
	CA	09/04/87	"	546,164		
	JP	09/02/88	"	219589		
Computer-Based System And Method For Determining Possible Chemical Structure	US	09/02/86	09/02/86	4,704,692	11/03/87	11/03/04
	"	"	09/09/88	4,881,175	11/14/89	11/14/06
Linkers for Linked Fusion Polypeptides	US	11/20/92	04/07/94	5,856,456	01/05/99	01/05/16

Non-Exclusive License from Medical Research Council ("Winter Patents")

Title (of priority app.)	Country	Application Date	Priority Date	Application/ Patent No.	Issue Date	Expires (calculated)
Recombinant DNA Products and Methods	GB	03/26/87	03/26/87	GB218863B	05/23/90	03/26/07
	EP	"	"	239400	08/30/94	"
	AT	"	"			
	BE	"	"			
	FR	"	"			
	DE	"	"			
	IT	"	"			
	LI	"	"			

	LU	"	"
	NL	"	"
	SE	"	"
	CH	"	"

Non-Exclusive License from Medical Research Council ("Winter Patents") Cont.

Title (of priority app.)	Country	Application Date	Priority Date	Application/ Patent No.	Issue Date	Expires (calculated)
Recombinant DNA Products And Methods	CA	03/26/87	03/26/87	533071		
	US	10/25/91		5,225,539	06/07/93	06/07/10
	US	05/26/95	CIP 03/26/87 and 05/26/95	08/452,462		
	JP	03/27/87	"	296890/87	12/24/87	02/26/07

Exclusive License from Oklahoma Medical Research Foundation ("Sims Patent")

Title	Country	Application Date	Priority Date	Application/ Patent No.	Issue Date	Expires (calculated)
Inhibition Of Complement Medical Inflammatory Response Using Monoclonal Antibodies Specific For A Component Forming The C5b-9 Complex Which Inhibit The Platelet Or Endothelial Cell Activating Function Of The C5b-9 Complex	US	03/08/94	06/12/89	5,635,178	06/03/97	06/03/14

Yale/Alexion Co-Invention--Exclusive License From Yale ("CPB Patent")

Title (of priority app.)	Country	Application Date	Priority Date	Application/ Patent No.	Issue Date	Expires (calculated)
Use Of C5-Specific Antibodies For Reducing Immune And Hemostatic Dysfunctions During Extracorporal Circulation	US	12/21/95	03/23/94	5,853,722	12/29/98	03/23/14
	PCT	03/22/95	"	PCT/US95/03614		
	EPO	"	"	95914820.6		
	DE	"	"	"		
	ES	"	"	"		
	FR	"	"	"		
	GB	"	"	"		
	NL	"	"	"		
	CA	"	"	2,186,108		

Alexion Applications ("SG1.1 Applications")

Title	Country	Application Date	Priority Date	Application/Patent No.
Methods and Compositions for the Treatment of Glomerulonephritis and other Inflammatory Diseases	PCT	05/01/95	(CIP) 05/02/94 and 05/01/95	PCT/US95/05688
"	EPO	"	"	95919041.1
"	AT	"	"	"
	BE	"	"	"
	CH/LI	"	"	"
	DE	"	"	"
	DK	"	"	"
	ES	"	"	"
	FR	"	"	"
	GB	"	"	"
	IE	"	"	"
	NL	"	"	"
	PT	"	"	"
	SE	"	"	"
	AU	"	"	24747/95
	BR	11/01/96	"	P107594-1
	CA	05/01/95	"	2,189,015
	JP	11/01/96	"	7-528523
	KR	11/02/96	"	96-706200
	MX	11/01/96	"	965330
Methods and Compositions for the Treatment of Inflammatory Diseases	US	06/07/95	(CIP) 05/02/94, 05/01/95, and 06/07/98	08/487,283

Schedule 1.25

Licensed Technology

Exclusive License Agreement dated June 19, 1992 between Oklahoma Medical Research Foundation (OMRF), Yale University and Alexion Pharmaceuticals, Inc.

License Agreement dated January 10, 1995 between Yale University and Alexion Pharmaceuticals, Inc.

Non-exclusive License Agreement dated May 8, 1996 between ENZON, Inc. and Alexion Pharmaceuticals, Inc. (non-exclusive license).

License for Winter Patent dated March 27, 1996 between Medical Research Council (MRC) and Alexion Pharmaceuticals, Inc. (non-exclusive license).

Schedule 4.1

Research & Development Plan Outline

1. PROPOSED INDICATIONS FOR h5G1.1-scFv

A. Reduction in post-operative complications (death, myocardial infarction, ventricular dysfunction, stroke) following cardiopulmonary bypass surgery (CBP). [Primary Indication]

B. Reduction in mortality and non-fatal myocardial infarction when used as an adjunct to thrombolytic therapy in patients following an acute myocardial infarction (AMI/t-PA). [Secondary Indication]

C. Prevention/reduction of acute cardiac ischemic complications (death, non-fatal myocardial infarction, urgent intervention by CABG, repeat PTCA or stent) in patients at high rick for abrupt closure of a coronary vessel. [High risk PTCA (AMI, unstable angina, high risk angioplasty defined by ACC/AHA). This indication includes the patients in indication #3.]

2. OUTLINE OF THE RESEARCH & DEVELOPMENT PLAN

A Grant chart labeled "OUTLINE OF THE RESEARCH & DEVELOPMENT PLAN" is provided as an attachment and summarizes the key activities/timing. The (i) principles underlying the "OUTLINE OF THE RESEARCH & DEVELOPMENT PLAN" and the detailed "RESEARCH & DEVELOPMENT PLAN"; (ii) the pharmaceutical development; (iii) the nonclinical development; and (iv) the clinical development plan are discussed below.

(i) PRINCIPLES

The principles underlying this "OUTLINE OF THE RESEARCH & DEVELOPMENT PLAN" and the detailed "RESEARCH & DEVELOPMENT PLAN" (see below) to be developed and approved by the Research & Development Steering Committee are as follows:

- P&G will collaborate with Alexion on the development of the Research & Development Plan taking advantage of the knowledge of both Parties.

- The duration of the clinical development outlined in the attached Grant chart is based upon the current expectations of the Parties and the current understanding of regulatory requirements for approval of the Product for target indications. The Parties will utilize the clinical development knowledge generated by Alexion together with knowledge of regulatory agency requirements to develop a clinical plan.

- P&G and Alexion will collaborate in key meetings with thought leaders or FDA or other regulatory agencies which are aimed at resolving major technical issues with

potential to impact the successful development of the PRODUCT, such as potential issues relating to the design of the Phase II and Phase III program or other clinical studies.

- - P&G will use bulk drug and clinical supplies provided by Alexion (until such time that P&G selects a contract manufacturer consistent with recommendations from Alexion) and it is assumed that the QA & QC procedures used by Alexion will ensure that this material meets all regulatory specifications and GMP standards.

- - P&G will be responsible for all regulatory interactions, filings, approvals and Alexion will transition the IND responsibility to P&GP. Alexion will participate in key regulatory interactions as appropriate and agreed to by the Research and Development Steering Committee.

- - Alexion will transition to P&GP all CMC, non clinical and clinical data, databases, and reports to assist in the preparation of electronic NDAs.

(ii) PHARMACEUTICAL DEVELOPMENT

The following specification, testing methods, formulation development, and stability studies will be agreed to by the Research & Development Steering Committee and performed by Alexion:

- - The establishment of GLP/GMP specifications and testing methods for the bulk drug, Product and clinical supplies.

- - The development of process improvements aimed at lowering the manufacturing cost of the Product.

- - The development and conduct of stability studies on the bulk drug and clinical supplies.

(iii) NON CLINICAL DEVELOPMENT (PHARMACOLOGY, TOXICOLOGY, AND ADME)

Alexion will conduct additional non clinical studies needed to support the clinical program and explore potential utility of the Alexion Technology for other indications (e.g., stroke).

(iv) CLINICAL DEVELOPMENT

(a) PHASE I STUDIES

Alexion has completed the following two Phase I studies and final clinical study reports are available:

- A study of the safety, pharmacokinetics and immunogenicity of intravenously administered h5G1.1-scFv (C96-002-o1)

- A study of h5G1.1-scFv in patients undergoing cardiopulmonary bypass (C96-001-02)

The following Phase I study is ongoing to evaluate different dosing regimens (C98-003). Alexion will complete this ongoing Phase I study and prepare a final report.

- A study of the safety of h5G1.1-scFv in normal volunteers (C98-003)

(b) PHASE II STUDIES

The current Phase II program has been developed by Alexion and is based upon the target indications, available clinical data on h5G1.1-scFv from patients and volunteers, and discussions with regulatory agencies.

The following studies are envisioned for Phase II:

- A double-blind, placebo-controlled study of the effect of h5G1.1-scFv on total mortality and adverse cardiovascular ischemic outcomes in patients in patients undergoing cardiopulmonary bypass. (Commenced)

- A double-blind placebo-controlled study comparing h5G1.1-scFv with placebo as an adjunct to reperfusion therapy (thrombolytic or PTCA) in patients with an acute Myocardial infarction (C98-006)

(c) PHASE III STUDIES

The current Phase III program has been developed based upon the target indications, the expectations of the Parties and the current understanding of regulatory agency requirements in North America. The final Phase III program will be developed based upon available Phase II clinical data on the h5G1.1-scFv, relevant data from agents with similar potential indications, discussions with clinical experts and thought leaders, and discussions with the FDA and other regulatory agencies. The following studies are envisioned for Phase III:

- A double-blind, placebo-controlled, study of the effect of h5G1.1-scFv on total mortality and adverse cardiovascular ischemic outcomes in patients undergoing cardiopulmonary bypass

- A double-blind, placebo-controlled study of the effect of h5G1.1-scFv on mortality and non-fatal reinfarction in acute MI patients treated with thrombolytic therapy.

- A double-blind, placebo-controlled study of the effect of h5G1.1-scFv on acute cardiac ischemic complications (death, non-fatal myocardial infarction, urgent intervention by CABG, repeat PTCA or stent) in patients at high risk for abrupt closure of a coronary vessel.

Alexion and/or P&G will provide oversight of investigator sites participating in clinical trials of the Product.

3. KEY DEVELOPMENT MILESTONES

Both Alexion and P&G agree that it is important to develop and meet key development milestones to ensure that the development is completed in a timely fashion consistent with Commercially Reasonable efforts.

With this in mind, the Research & Development Steering Committee will set the following "KEY DEVELOPMENT MILESTONE"

COMPLETION OF PHASE II CPB
START OF PHASE II AMI/PTCA
COMPLETION OF PHASE II AMI/PTCA
START OF PHASE III CPB
COMPLETION OF PHASE III CPB
START OF PHASE III AMI
COMPLETION OF PHASE III AMI
START OF PHASE III HIGH RISK ANGIOPLASTY
COMPLETION OF PHASE III HIGH RISK ANGIOPLASTY

4. COMMUNICATION BY THE PARTIES

Both P&G and Alexion agree on the importance of frequent communication between the parties on progress and key learnings made during the conduct of the Research & Development Plan. A communication process (meeting frequencies, principal contacts, etc) will be developed by the Research & Development Steering Committee).

5. DEVELOPMENT AND MODIFICATION OF THE RESEARCH & DEVELOPMENT PLAN FOR THE PRODUCT

The Parties will develop a detailed "RESEARCH & DEVELOPMENT PLAN" for the PRODUCT. The content of the "RESEARCH & DEVELOPMENT PLAN" will include study outlines for all noncliical and clinical studies, details of the process development work to be undertaken, development milestones and timings.

As indicated in Section IV, the Research & Development Steering Committee has the

responsibility to determine the timing for all development milestones and to modify this timing as appropriate if delays are encountered, and to develop action steps to avoid delays if any of these development milestones is judged to be in jeopardy and can be remedied by Commercially Reasonable actions.

The "Research & Development Plan" is a working document developed by the Parties and reviewed and approved by the Research & Development Steering Committee together with study protocols. A key responsibility of the Research & Development Steering Committee is to monitor progress of the development against the development milestones, including but not limited to the "Key Development Milestones" identified herein, and includes monitoring the progress of key development activities, such as investigator recruitment and patient enrollment in clinical studies.

6. Research & Development Steering Committee Guidelines

The Parties expect that the Research & Development Steering Committee will have the primary role in managing the relationship and communication between the Parties. In that role, the Research & Development Steering Committee shall be responsible for managing all aspects of the relationship between the Parties, including but not limited to: (a) reviewing study protocols and making decisions on any proposed changes to the Research & Development Plan; (b) monitoring and assisting progress of clinical and non-clinical development consistent with the Research & Development Plan timetable; (c) assessing the results of studies; and (d) addressing any regulatory strategy and drug supply issues.

It is the desire of the Parties to reach decisions by consensus of the Research & Development Steering Committee members or the co-chairs. The Parties agree to work to promote effective communication between the Parties and intend to frankly discuss and attempt to resolve in good faith any conflicts, disagreements or disputes which may arise in ways which will promote the continuing goodwill between the Parties. While the Parties have set forth a dispute resolution process (Section 3.5), the Research & Development Steering Committee will attempt to resolve issues through discussion aimed at building consensus.

CLINICAL DEVELOPMENT

[GRAPH]

Schedule 4.2(b)

CPI Adjustment

Alexion's FTE rate in Section 4.2(b) and Annual Contribution thresholds in Section 8.2(a) and Net Sales threshold levels in Section 8.2(c) shall be adjusted for inflation once each Fiscal Year utilizing the change in U.S. Consumer Price Index for all Urban Consumers (CPI) as published by the U.S. Bureau of Labor Standards from the base CPI of January, 1999, to the CPI published for June of the immediately preceding Fiscal Year.

Example:

Fiscal Year 2000/2001 inflation factor

Base January, 1999 CPI = 163.5
June, 2000 CPI = 168.5

$$\text{Fiscal Year 2000/2001 inflation factor} = \frac{168.5 - 163.5}{163.5} = .0306$$

Base FTE rate = $225,000

Fiscal Year 2000/2001 FTE rate

=$225,000 + (225,000 x Inflation Factor) =
= 225,000 + (225,000 x .0306)
= 225,000 + 6,885
=$231,885.

(Example for illustration purposes only)

Schedule 7.3

Co-Promotion Agreement Terms

1. Alexion may only co-promote Marketed Products in the United States pursuant to the terms and conditions of an agreed and executed Co-Promotion Agreement meeting the requirements of Section 7.3 of the Collaboration Agreement. The Parties shall negotiate such Agreement in good faith, as quickly as possible after Alexion exercises its option to participate pursuant to Section 7.3.

2. For any Fiscal Year during the term of such Co-Promotion Agreement (such term to continue for the TERM), Alexion may make no less than twenty percent (20%) of the total number of Details (sum of first position Details plus second position Details) forecast by Procter & Gamble for the promotion of the Marketed Product in the United States for such year. The total number of Details will be the sum of all Details planned for the Marketed Product. As the term is used herein, "Detail" shall mean those activities normally undertaken by a pharmaceutical company's sales force through an interactive personal visit and discussion by a trained sales force representative with a target physician prescriber during which a full presentation is made to such health care professional on the Marketed Product and the representative is fully equipped with all applicable approved promotional materials such that the relevant characteristics of the Marketed Product are described by the representative in a fair and balanced manner consistent with the requirements of the FDA and of this Agreement, and in a manner that is customary in the industry for the purpose of promoting a prescription pharmaceutical product. A first position Detail refers to a Detail in which the Marketed Product is the first pharmaceutical product presented to the target physician prescriber during an interactive personal visit, whereas a second position Detail would refer to a Detail where the Marketed Product is the second pharmaceutical product presented to the target physician prescriber during such visit.

3. Procter & Gamble will determine the total number of Details to be made by Alexion's sales force representatives, the percent of such Details which are to be made in the first position and second position, the target prescribing physician for such Details, the promotional message to be delivered and the timing and frequency of Details. Procter & Gamble will establish a co-promotion coordination process and procedure so that all of Alexion's Detail can be coordinated with details being made by Procter & Gamble.

4. Procter & Gamble shall pay to Alexion an amount equal to the cost Procter & Gamble would have incurred if the Details made by Alexion where instead made by either dedicated Procter & Gamble field based sales personnel or trained contract sales force personnel available to Procter & Gamble. For example, if the total number of Details to be made by Alexion in a fiscal year were forty thousand (40,000) of which twenty thousand (20,000) were first position Details and twenty thousand (20,000) second position Details and Alexion performed such Details and Procter & Gamble's cost for each first position Detail was Fifty Dollars ($50.00) and second position Detail Forty

Dollars ($40.00), then P&G would pay Alexion One Million Eight Hundred Thousand Dollars ($1.8 million) [(20,000 x $50) + (20,000 x $40)].

5. Procter & Gamble shall specify the level of training and will train Alexion sales personnel through Procter & Gamble's normal sales training practices, at Procter & Gable's expense (exclusive of room, board and travel expenses of Alexion personnel).

6. Procter & Gamble shall provide to Alexion at no cost to Alexion the promotional sales materials used by Procter & Gamble in the promotion of the Marketed Products being co-promoted by Alexion in the same proportionate quantities as are available to Procter & Gamble's own sales force.

7. In accordance with Section 7.1, Procter & Gamble with respect to the marketing, planning, strategy and Co-Promotion of the Marketed Products. Procter & Gamble shall have the sole right and responsibility for establishing and modifying the terms and conditions of the sale of the Marketed Products, including, without limitation, terms and conditions such as the price at which the Marketed Products will be sold, whether the Marketed Products shall be subject to rebates and any discounts, and the channels of distribution of the Marketed Products.

8. The Co-Promotion Agreement shall also contain standard provisions found in such agreements, including, but not limited to the following:

   A. Appointment of Alexion to co-promote Marketed Products

   B. Co-Promotion Services (e.g., requisite Details to target prescribers, coordination of sales effort, compliance with laws and applicable authorities, etc.)

   C. Training of Alexion sales force

   D. Co-promotion payments (e.g., fees, audit rights, penalty for underperformance)

   E. Adverse reaction reporting and other Regulatory matters.

   F. Returned/recalled Marketed Product

   G. Term and termination

Schedule 8.2

Annual Contribution Royalty Calculation

For the term of the contract, Procter & Gamble will pay to Alexion a Royalty on Annual Contribution. Royalties will be paid on a quarterly basis not later than fifty-five (55) calendar days following the end of each Fiscal Quarter.

Annual Contribution will be calculated in the fourth Fiscal Quarter of a specific Fiscal Year. Royalty payments for the first three Fiscal Quarter of a specific Fiscal Year will be based on the minimum royalty rate of [*****] for actual Net Sales in the respective Fiscal Quarter. The fourth Fiscal Quarter payment will include the outstanding royalty payment for the fourth Fiscal Quarter, as well as a reconciliation payment, if royalty payments on Annual Contribution for the whole Fiscal Year exceed minimum royalty payments of [*****] of Net Sales for the whole Fiscal Year. The reconciliation payment will be adjusted to reflect the time value (foregone interest) on the reconciliation payment for the difference between the minimum royalty payments and the royalty payments on Annual Contribution of the first three Fiscal Quarters of a specific Fiscal Year.

Royalties on Annual Contribution will be calculated as follows:

Royalties on AC = [EQUATION]

where

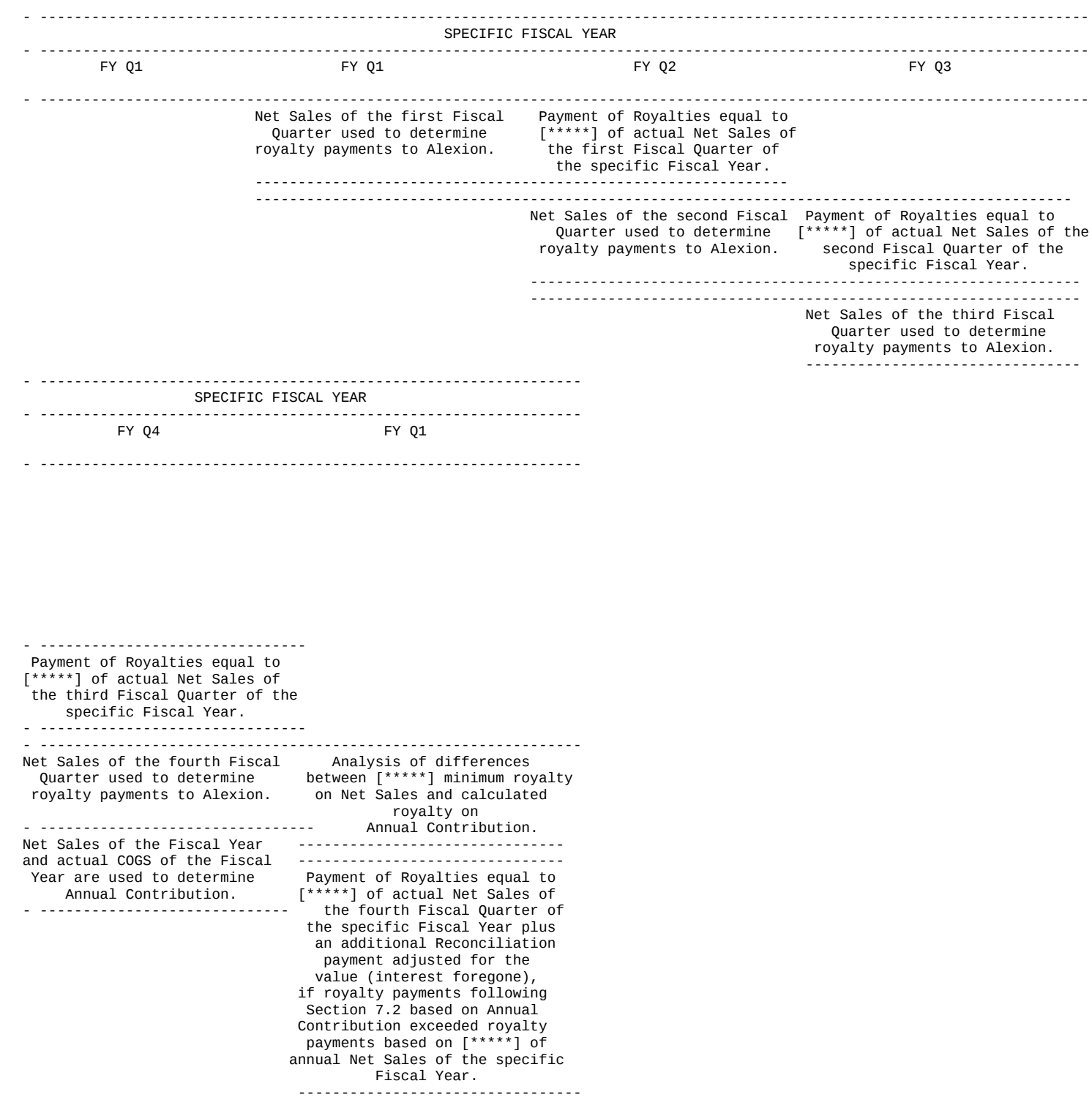
i	Index for the country in which P&G sells Marketed Products.
n	Total number of countries in which P&G sells Marketed Product.
q	Index for Fiscal Quarters in the specific Fiscal Year.
NS_{qi}	Net Sales of Marketed Products in country i in the local currency of country i in the Fiscal Quarter q in the specific Fiscal Year.
EXR_{qi}	Average Exchange rate for the local currency of country i in the Fiscal Quarter q stated in US dollars per local currency of country i.
EXR_{i}	Average Exchange rate for the local currency of country i for the Fiscal Year stated in US dollars per local currency of country i.
$COGS_{i}$	Costs of Good Sold is the US dollar value of Marketed Product manufactured and other related costs necessary to deliver Marketed Product sold in country i to P&G determined distribution centers/ production facilities. In terms of this contract, it will specifically include the costs to purchase bulk (cartons of vials, cartons of IV

drip bags, etc.) product from the P&G selected source for Marketed Product sold in country 1.

RR Royalty Rate on Annual Contribution in the specific Fiscal Year based on the Annual Contribution threshold schedule and royalty rates stated in Section 8.2(a) of the contract. Annual Contribution threshold levels will be adjusted once each Fiscal Year for inflation by multiplying the individual Annual Contribution threshold levels stated in the contract by the percentage change in the US CPI for all Urban Consumers as published by the U.S. Bureau of Labor Standards for the period January, 1999 to June of the immediately preceding Fiscal Year as described in Schedule 4.2(b).

The determination of royalty payments for a specific Fiscal Year is demonstrated in examples on the following pages.

ANNUAL CONTRIBUTION ROYALTY CALCULATION - PAYMENT CYCLE



ANNUAL CONTRIBUTION ROYALTY CALCULATION - EXAMPLE 1
NO RECONCILIATION PAYMENT TO ALEXION

		SPECIFIC FISCAL YEAR					FISCAL YEAR
		FY Q1	FY Q2	FY Q3	FY Q4	FY Q1	TOTAL/AVERAGE
NET SALES IN (M) LOCAL CURRENCY (LC):							
Country A	LCA	10,000	15,000	20,000	30,000		75,000
Country B	LCB	50,000	75,000	100,000	150,000		375,000
Country C	LCC	12,500	18,750	25,000	37,500		83,750
AVERAGE QUARTERLY EXCHANGE RATES (USD/LC):							
Country A	USD/LCA	1.000	1.000	1.000	1.000		1.000
Country B	USD/LCB	0.200	0.300	0.400	0.500		0.393
Country C	USD/LCC	0.800	0.700	0.600	0.500		0.607
NET SALES IN (M) USD:							
Country A	USD	10,000	15,000	20,000	30,000		75,000
Country B	USD	10,000	22,500	40,000	75,000		147,500
Country C	USD	10,000	13,125	15,000	18,750		56,875
WORLD WIDE TOTAL NET SALES IN (M) USD:		30,000	50,625	75,000	123,750		279,375
Minimum Royalty on Net Sales:	[*****]						
FISCAL QUARTER ROYALTY PAYMENTS TO ALEXION IN (M) USD:				[*****]			[*****]
COST OF GOODS SOLD IN (M) LC:							
Country A	LCA	(2,000)	(3,000)	(4,000)	(6,000)		(15,000)
Country B	LCB	(10,000)	(15,000)	(20,000)	(30,000)		(75,000)
Country C	LCC	(2,500)	(3,750)	(5,000)	(7,500)		(18,750)
COST OF GOODS SOLD IN (M) USD:							
Country A	USD	(2,000)	(3,000)	(4,000)	(6,000)		(15,000)
Country B	USD	(2,000)	(4,500)	(8,000)	(15,000)		(29,500)
Country C	USD	(2,000)	(2,625)	(3,000)	(3,750)		(11,375)
WORLD WIDE COGS IN (M) USD:							(55,875)
ANNUAL CONTRIBUTION IN (M) USD:							223,500

CPI ADJUSTMENT FOR SPECIFIC FISCAL YEAR: [*****]

	AC IN (M) USD			CPI ADJUSTED ROYALTY SCHEDULE				CALCULATED
ROYALTY SCHEDULE IN CONTRACT:	RATE	FROM	TO	RATE	FROM	TO	AC FOR FY IN (M) USD	ROYALTY PAYMENT ON AC IN (M) USD
							110,000	
							110,000	
		[****]			[*****]		3,500	[*****]
							0	

RECONCILIATION PAYMENT* TO ALEXION IN (M) USD: 0

*Reconciliation payment will be paid, if the calculated royalty payments based on Annual Contribution (AC) exceed royalty payments based on [*****] of actual annual Net Sales for the specific Fiscal Year.

ANNUAL CONTRIBUTION ROYALTY CALCULATION - EXAMPLE 2
RECONCILIATION PAYMENT TO ALEXION

		SPECIFIC FISCAL YEAR					FISCAL YEAR
		FY Q1	FY Q2	FY Q3	FY Q4	FY Q1	TOTAL/AVERAGE
NET SALES IN (M) LOCAL CURRENCY (LC):							
Country A	LCA	35,000	40,000	45,000	50,000		110,000
Country B	LCB	175,000	200,000	225,000	250,000		850,000
Country C	LCC	43,750	50,000	56,250	62,500		212,500
AVERAGE QUARTERLY EXCHANGE RATES (USD/LC):							
Country A	USD/LCA	1.000	1.000	1.000	1.000		1.000
Country B	USD/LCB	0.200	0.300	0.400	0.500		0.365
Country C	USD/LCC	0.800	0.700	0.600	0.500		0.625
NET SALES IN (M) USD:							
Country A	USD	35,000	40,000	45,000	50,000		170,000
Country B	USD	35,000	60,000	90,000	125,000		310,000
Country C	USD	35,000	35,000	33,750	31,250		135,000
WORLD WIDE TOTAL NET SALES IN (M) USD:		105,000	135,000	168,750	206,250		615,000
Minimum Royalty on Net Sales:	[*****]						
FISCAL QUARTER ROYALTY PAYMENTS TO ALEXION IN (M) USD:				[*****]			[*****]
COST OF GOODS SOLD IN (M) LC:							
Country A	LCA	(7,000)	(8,000)	(9,000)	(10,000)		(34,000)
Country B	LCB	(35,000)	(40,000)	(45,000)	(50,000)		(170,000)
Country C	LCC	(8,750)	(10,000)	(11,250)	(12,500)		(42,500)
COST OF GOODS SOLD IN (M) USD:							
Country A	USD	(7,000)	(8,000)	(9,000)	(10,000)		(34,000)
Country B	USD	(7,000)	(12,000)	(18,000)	(25,000)		(62,000)
Country C	USD	(7,000)	(7,000)	(6,750)	(6,250)		(27,000)
WORLD WIDE COGS IN (M) USD:		(21,000)	(27,000)	(33,750)	(41,250)		(123,000)
ANNUAL CONTRIBUTION IN (M) USD:				[*****]			[*****]
ROYALTY ON ANNUAL CONTRIBUTION (M) USD:							
UNDERPAYMENT IN (M) USD:				[*****]			
AVERAGE QUARTERLY INTEREST RATE:	[*****]						
ADJUSTED FOR FOREGONE INTEREST (COMPOUNDING):		858	1,071	1,300	1,543		4,772

CPI ADJUSTMENT FOR SPECIFIC FISCAL YEAR: [*****]

	AC IN (M) USD			CPI ADJUSTED ROYALTY SCHEDULE				CALCULATED
ROYALTY SCHEDULE IN CONTRACT:	RATE	FROM	TO	RATE	FROM	TO	AC FOR FY IN (M) USD	ROYALTY PAYMENT ON AC IN (M) USD
							110,000	
							110,000	
		[*****]			[*****]		272,000	[*****]
							0	
								[*****]

UNDERPAID ROYALTIES* TO ALEXION IN (M) USD: 4,600
TIME VALUE OF MONEY (FOREGONE INTEREST): 172
RECONCILIATION PAYMENT TO ALEXION IN (M) USD: 4,772

*Reconciliation payment will be paid, if the calculated royalty payments based on Annual Contribution (AC) exceed royalty payments based on [*****] of actual annual Net Sales for the specific Fiscal Year.

Schedule 8.2(c)

Additional Milestone Payments on Net Sales

Procter & Gamble will make one-time only payments which are triggered on the first occurrence during the Term where Fiscal Year Net Sales for Products exceed Net Sales threshold levels specified in 8.2(c) with such Net Sales threshold levels adjusted by CPI as described in Schedule 4.2(b).

Fiscal Year A — Net Sales = [*****]
Additonal Milestone Payment = [*****]

Fiscal Year B — Net Sales = [*****]
Additional Milestone Payment = [*****]
(First time Fiscal Year Net Sales exceed CPI adjusted [*****] Net Sales threshold level)

Fiscal Year C — Net Sales = [*****]
Additional Milestone Payment = [*****]

Fiscal Year D — Net Sales = [*****]
Additional Milestone Payment = [*****]
(First time Fiscal Year Net Sales exceed CPI adjusted [*****] Net Sales threshold level)