UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2018

or

☐ **TRANSITION REPORTS PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 0-24006

NEKTAR THERAPEUTICS

(Exact name of registrant as specified in its charter)

Delaware	**94-3134940**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

455 Mission Bay Boulevard South
San Francisco, California 94158
(Address of principal executive offices)

415-482-5300
(Registrant's telephone number, including area code)

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

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

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of outstanding shares of the registrant's Common Stock, $0.0001 par value, was 171,402,476 on May 3, 2018.

NEKTAR THERAPEUTICS
INDEX

Forward-Looking Statements

This report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act). All statements other than statements of historical fact are "forward-looking statements" for purposes of this quarterly report on Form 10-Q, including any projections of market size, earnings, revenue, milestone payments, royalties, sales or other financial items, any statements of the plans and objectives of management for future operations (including, but not limited to, preclinical development, clinical trials and manufacturing), any statements related to our financial condition and future working capital needs, any statements regarding potential future financing alternatives, any statements concerning proposed drug candidates, any statements regarding the timing for the start or end of clinical trials or submission of regulatory approval filings, any statements regarding future economic conditions or performance, any statements regarding the success of our collaboration arrangements, timing of commercial launches and product sales levels by our collaboration partners and future payments that may come due to us under these arrangements, any statements regarding our plans and objectives to initiate or continue clinical trials, and any statements of assumptions underlying any of the foregoing. In some cases, forward-looking statements can be identified by the use of terminology such as "may," "will," "expects," "plans," "anticipates," "estimates," "potential" or "continue," or the negative thereof or other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements contained herein are reasonable, such expectations or any of the forward-looking statements may prove to be incorrect and actual results could differ materially from those projected or assumed in the forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to inherent risks and uncertainties, including, but not limited to, the risk factors set forth in Part II, Item 1A "Risk Factors" below and for the reasons described elsewhere in this quarterly report on Form 10-Q. All forward-looking statements and reasons why results may differ included in this report are made as of the date hereof and we do not intend to update any forward-looking statements except as required by law or applicable regulations. Except where the context otherwise requires, in this quarterly report on Form 10-Q, the "Company," "Nektar," "we," "us," and "our" refer to Nektar Therapeutics, a Delaware corporation, and, where appropriate, its subsidiaries.

Trademarks

The Nektar brand and product names, including but not limited to Nektar®, contained in this document are trademarks and registered trademarks of Nektar Therapeutics in the United States (U.S.) and certain other countries. This document also contains references to trademarks and service marks of other companies that are the property of their respective owners.

Item 1. Condensed Consolidated Financial Statements—Unaudited:

NEKTAR THERAPEUTICS
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value)
(Unaudited)

	March 31, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 34,805	$ 4,762
Short-term investments	261,854	291,370
Accounts receivable, net	15,607	5,014
Inventory	10,675	10,726
Other current assets	13,074	14,948
Total current assets	336,015	326,820
Long-term investments	37,157	57,088
Property, plant and equipment, net	46,328	47,463
Goodwill	76,501	76,501
Other assets	789	994
Total assets	$ 496,790	$ 508,866
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 11,375	$ 4,782
Accrued compensation	15,130	8,263
Accrued clinical trial expenses	19,790	9,461
Other accrued expenses	10,676	10,064
Interest payable	4,090	4,198
Deferred revenue, current portion	19,531	18,949
Other current liabilities	105	446
Total current liabilities	80,697	56,163
Senior secured notes, net	245,643	245,207
Liability related to the sale of future royalties, net	92,846	94,655
Deferred revenue, less current portion	12,808	19,021
Other long-term liabilities	6,513	5,992
Total liabilities	438,507	421,038
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.0001 par value; 10,000 shares authorized; no shares designated, issued or outstanding at March 31, 2018 or December 31, 2017	—	—
Common stock, $0.0001 par value; 300,000 shares authorized; 162,379 shares and 159,524 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	16	15
Capital in excess of par value	2,262,219	2,207,865
Accumulated other comprehensive loss	(2,796)	(2,111)
Accumulated deficit	(2,201,156)	(2,117,941)
Total stockholders' equity	58,283	87,828
Total liabilities and stockholders' equity	$ 496,790	$ 508,866

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

NEKTAR THERAPEUTICS
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share information)
(Unaudited)

	Three months ended March 31,	
	2018	2017
Revenue:		
Product sales	$ 6,295	$ 4,756
Royalty revenue	11,076	7,217
Non-cash royalty revenue related to sale of future royalties	6,920	6,663
License, collaboration and other revenue	13,727	6,092
Total revenue	38,018	24,728
Operating costs and expenses:		
Cost of goods sold	6,646	6,131
Research and development	99,424	61,058
General and administrative	18,687	11,976
Total operating costs and expenses	124,757	79,165
Loss from operations	(86,739)	(54,437)
Non-operating income (expense):		
Interest expense	(5,340)	(5,402)
Non-cash interest expense on liability related to sale of future royalties	(5,019)	(4,552)
Interest income and other income (expense), net	1,571	658
Total non-operating expense, net	(8,788)	(9,296)
Loss before provision for income taxes	(95,527)	(63,733)
Provision for income taxes	265	133
Net loss	$ (95,792)	$ (63,866)
Basic and diluted net loss per share	$ (0.60)	$ (0.42)
Weighted average shares outstanding used in computing basic and diluted net loss per share	160,884	153,666

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)
(Unaudited)

	Three months ended March 31,	
	2018	2017
Comprehensive loss	$ (96,477)	$ (63,352)

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

NEKTAR THERAPEUTICS
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three months ended March 31,	
	2018	2017
Cash flows from operating activities:		
Net loss	$ (95,792)	$ (63,866)
Adjustments to reconcile net loss to net cash used in operating activities:		
Non-cash royalty revenue related to sale of future royalties	(6,920)	(6,663)
Non-cash interest expense on liability related to sale of future royalties	5,019	4,552
Stock-based compensation	19,949	8,184
Depreciation and amortization	2,541	4,033
Other non-cash transactions	(370)	(731)
Changes in operating assets and liabilities:		
Accounts receivable, net	151	14,113
Inventory	51	(1,907)
Other assets	1,853	2,134
Accounts payable	6,492	4,117
Accrued compensation	6,867	(6,817)
Accrued clinical trial expenses	10,329	(515)
Other accrued expenses	605	1,798
Interest payable	(108)	(108)
Deferred revenue	(3,678)	9,619
Other liabilities	545	(2,509)
Net cash used in operating activities	(52,466)	(34,566)
Cash flows from investing activities:		
Purchases of investments	—	(75,857)
Maturities of investments	37,232	58,053
Sales of investments	11,963	8,823
Purchases of property, plant and equipment	(985)	(4,089)
Net cash provided by (used in) investing activities	48,210	(13,070)
Cash flows from financing activities:		
Payment of capital lease obligations	—	(613)
Proceeds from shares issued under equity compensation plans	34,352	11,792
Net cash provided by financing activities	34,352	11,179
Effect of exchange rates on cash and cash equivalents	(53)	297
Net increase (decrease) in cash and cash equivalents	30,043	(36,160)
Cash and cash equivalents at beginning of period	4,762	59,640
Cash and cash equivalents at end of period	$ 34,805	$ 23,480
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 4,952	$ 5,067

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

Note 1 — Organization and Summary of Significant Accounting Policies

Organization

We are a research-based biopharmaceutical company headquartered in San Francisco, California and incorporated in Delaware. We are developing a pipeline of drug candidates that utilize our advanced polymer conjugate technology platforms, which are designed to enable the development of new molecular entities that target known mechanisms of action. Our research and development pipeline of new investigational drugs includes treatments for cancer, autoimmune disease and chronic pain.

Our research and development activities have required significant ongoing investment to date and are expected to continue to require significant investment. As a result, we expect to continue to incur substantial losses and negative cash flows from operations in the future. We have financed our operations primarily through cash generated from licensing, collaboration and manufacturing agreements and financing transactions. At March 31, 2018, we had approximately $333.8 million in cash and investments in marketable securities and debt of $250.0 million in principal of senior secured notes due in October 2020.

Basis of Presentation and Principles of Consolidation

Our consolidated financial statements include the financial position, results of operations and cash flows of our wholly-owned subsidiaries: Nektar Therapeutics (India) Private Limited (Nektar India) and Nektar Therapeutics UK Limited. All intercompany accounts and transactions have been eliminated in consolidation.

We prepared our Condensed Consolidated Financial Statements following the requirements of the Securities and Exchange Commission (SEC) for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by U.S. generally accepted accounting principles (GAAP) for annual periods can be condensed or omitted. In the opinion of management, these financial statements include all normal and recurring adjustments that we consider necessary for the fair presentation of our financial position and operating results.

Our Condensed Consolidated Financial Statements are denominated in U.S. dollars. Accordingly, changes in exchange rates between the applicable foreign currency and the U.S. dollar will affect the translation of each foreign subsidiary's financial results into U.S. dollars for purposes of reporting our consolidated financial results. Translation gains and losses are included in accumulated other comprehensive loss in the stockholders' equity section of the Condensed Consolidated Balance Sheets. To date, such cumulative currency translation adjustments have not been significant to our consolidated financial position.

Our comprehensive loss consists of our net loss plus our foreign currency translation gains and losses and unrealized holding gains and losses on available-for-sale securities, neither of which were significant during the three months ended March 31, 2018 and 2017. In addition, there were no significant reclassifications out of accumulated other comprehensive loss to the statements of operations during the three months ended March 31, 2018 and 2017.

The accompanying Condensed Consolidated Financial Statements are unaudited. The Condensed Consolidated Balance Sheet data as of December 31, 2017 was derived from the audited consolidated financial statements which are included in our Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC on March 1, 2018. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements and the accompanying notes to those financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017.

Revenue, expenses, assets, and liabilities can vary during each quarter of the year. The results and trends in these interim Condensed Consolidated Financial Statements are not necessarily indicative of the results to be expected for the full year or any other period.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accounting estimates and assumptions are inherently uncertain. Actual results could differ materially from those estimates and assumptions. Our estimates

include those related to estimated selling prices of performance obligations and estimates of variable consideration in collaboration agreements, estimated royalty revenue, other estimates required for revenue recognition as described further below, the net realizable value of inventory, the impairment of investments, goodwill and long-lived assets, contingencies, accrued clinical trial and other expenses, estimated non-cash royalty revenue and non-cash interest expense from our liability related to our sale of future royalties, stock-based compensation, and ongoing litigation, among other estimates. We base our estimates on historical experience and on other assumptions that management believes are reasonable under the circumstances. These estimates form the basis for making judgments about the carrying values of assets and liabilities when these values are not readily apparent from other sources. As appropriate, estimates are assessed each period and updated to reflect current information and any changes in estimates will generally be reflected in the period first identified.

Reclassifications

Certain items previously reported in specific financial statement captions have been reclassified to conform to the current period presentation. Such reclassifications do not materially impact previously reported revenue, operating loss, net loss, total assets, liabilities or stockholders' equity.

Segment Information

We operate in one business segment which focuses on applying our technology platform to develop novel drug candidates. Our business offerings have similar economics and other characteristics, including the nature of products and manufacturing processes, types of customers, distribution methods and regulatory environment. We are comprehensively managed as one business segment by our Chief Executive Officer.

Significant Concentrations

Our customers are primarily pharmaceutical and biotechnology companies that are located in the U.S. and Europe and with whom we have multi-year arrangements. Our accounts receivable balance contains billed and unbilled trade receivables from product sales, milestones, other contingent payments and royalties, as well as reimbursable costs from collaborative research and development agreements. When appropriate, we provide for an allowance for doubtful accounts by reserving for specifically identified doubtful accounts. We generally do not require collateral from our customers. We perform a regular review of our customers' payment histories and associated credit risk. We have not experienced significant credit losses from our accounts receivable and our allowance for doubtful accounts was not significant at either March 31, 2018 or December 31, 2017.

We are dependent on our suppliers and contract manufacturers to provide raw materials and drugs of appropriate quality and reliability and to meet applicable contract and regulatory requirements. In certain cases, we rely on single sources of supply of one or more critical materials. Consequently, in the event that supplies are delayed or interrupted for any reason, our ability to develop and produce our drug candidates or our ability to meet our supply obligations could be significantly impaired, which could have a material adverse effect on our business, financial condition and results of operations.

Adoption of New Accounting Principle

On January 1, 2018, we adopted Accounting Standards Codification (ASC) 606, *Revenue Recognition - Revenue from Contracts with Customers*. ASC 606 supersedes the guidance in ASC 605, *Revenue Recognition*. Under ASC 606, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. In our adoption, we used the practical expedients to analyze only those contracts that were still active contracts as of January 1, 2018 and evaluated those contracts based on the cumulative contract modifications through that date. We do not believe that the use of the practical expedients has or will have a material impact on our transition adjustment or our prospective accounting. We adopted ASC 606 on a modified retrospective basis under which we recognized the cumulative effect of adoption as a transition adjustment to opening accumulated deficit, therefore the periods prior to the adoption date of ASC 606 have not been restated. If we had continued to use ASC 605 during 2018, revenue would have been $37.9 million in the three months ended March 31, 2018, as compared to the $38.0 million actually recorded.

The transition adjustment totaled $12.7 million, and included $10.7 million related to the recognition of royalty revenue. Previously, under ASC 605, we recognized certain of our royalty arrangements on a cash basis, generally one quarter in arrears. Beginning in the first quarter of 2018, we began to accrue our best estimate of these royalties earned based on our

collaboration partners' sales of the associated drug compounds. As a result, in the first quarter of 2018, we recognized $11.1 million of estimated royalty revenue associated with our partners' sales of MOVANTIK® and ADYNOVATE® in the first quarter of 2018, which is also recorded in the accounts receivable balance in our Condensed Consolidated Balance Sheet at March 31, 2018. Previously, in the fourth quarter of 2017, we recognized $9.6 million in royalty revenue associated with sales of MOVANTIK® and ADYNOVATE® in the third quarter of 2017. The transition between the two accounting methods results in the $10.7 million in royalties for sales of MOVANTIK® and ADYNOVATE® in the fourth quarter of 2017 being recognized as a direct reduction of our accumulated deficit instead of being recognized in the statement of operations. The transition adjustment also includes $2.0 million for the reduction of deferred revenue related to one of our collaboration arrangements.

The impact of the adoption of ASC 606 on our Condensed Consolidated Balance Sheet and Condensed Consolidated Statement of Operations as of and for the three months ended March 31, 2018 was as follows (in thousands):

	As of and for the three months ended March 31, 2018		
	As reported	Adjustments	Balances Without the Adoption of Topic 606
Condensed Consolidated Balance Sheet data			
Accounts receivable, net	$ 15,607	$ (11,077)	$ 4,530
Deferred revenue, current portion	19,531	600	20,131
Deferred revenue, less current portion	12,808	1,140	13,948
Accumulated deficit	(2,201,156)	(12,817)	(2,213,973)
Condensed Consolidated Statement of Operations data			
Royalty revenue	$ 11,076	$ (332)	$ 10,744
License, collaboration and other revenue	13,727	213	13,940
Total revenue	38,018	(119)	37,899

Revenue Recognition

We derive our revenue from our arrangements with pharmaceutical and biotechnology collaboration partners. We enter into collaboration arrangements, under which we may grant licenses to our collaboration partners to further develop and commercialize one of our proprietary drug candidates or grant licenses to partners to use our technology to research and develop their own proprietary drug candidates. We may also perform research, development, manufacturing and supply activities under our collaboration agreements. Consideration under these contracts generally includes an upfront payment, development milestones and other contingent payments, royalties based on net sales of approved drugs, and commercial sales milestone payments. Additionally, these contracts may provide options for the customer to purchase our proprietary PEGylation materials, drug candidates or additional research and development services under separate contracts.

We assess which activities in our collaboration agreements are performance obligations that should be accounted for separately and determine the arrangement transaction price, which includes the assessment of the probability of achievement of future milestones and other potential consideration. For arrangements that include multiple performance obligations, such as granting a license and performing research and development activities, we allocate upfront and milestone payments under a relative standalone selling price method. Accordingly, we develop assumptions that require judgment to determine the standalone selling price for each performance obligation identified in the contract. These key assumptions may include revenue forecasts, clinical development timelines and costs, discount rates and probabilities of clinical and regulatory success.

Product Sales

Product sales are primarily derived from manufacturing and supply agreements with our customers. We have assessed our current manufacturing and supply arrangements and have generally determined that they provide the customer an option to purchase our proprietary PEGylation materials. Accordingly, we treat each purchase order as a discrete exercise of the customer's option (i.e. a separate contract) rather than as a component of the overall arrangement. The pricing for the manufacturing and supply is generally at a fixed price and may be subject to annual producer price index (PPI) adjustments. We invoice and recognize product sales when title and risk of loss pass to the customer, which generally occurs upon shipment. Customer payments are generally due 30 days from receipt of invoice. We test our products for adherence to technical specifications before shipment; accordingly, we have not experienced any significant returns from our customers.

Royalty Revenue

Generally, we are entitled to royalties from our collaboration partners based on the net sales of their approved drugs that are marketed and sold, in one or more countries where we hold royalty rights. For arrangements that include sales-based royalties, including commercial milestone payments based on the level of sales, we have concluded that the license is the predominant item to which the royalties relate. Accordingly, we recognize royalty revenue, including for our non-cash royalties, when the underlying sales occur based on our best estimates of sales of the drugs. Our partners generally pay royalties or commercial milestones after the end of the calendar quarter in accordance with contractual terms.

License, collaboration and other revenue

License Grants: For collaboration arrangements that include a grant of a license to our intellectual property, we consider whether the license grant is distinct from the other performance obligations included in the arrangement. Generally, we would conclude that the license is distinct if the customer is able to benefit from the license with the resources available to it. For licenses that are distinct, we recognize revenues from nonrefundable, upfront payments and other consideration allocated to the license when the license term has begun and we have provided all necessary information regarding the underlying intellectual property to the customer, which generally occurs at or near the inception of the arrangement.

Milestone Payments: At the inception of the arrangement and at each reporting date thereafter, we assess whether we should include any milestone payments or other forms of variable consideration in the transaction price, based on whether a significant reversal of revenue previously recognized is not probable upon resolution of the uncertainty. Since milestone payments may become payable to us upon the initiation of a clinical study or filing for or receipt of regulatory approval, we review the relevant facts and circumstances to determine when we should update the transaction price, which may occur before the triggering event. When we do update the transaction price for milestone payments, we allocate it on a relative standalone selling price basis and record revenue on a cumulative catch-up basis, which results in recognizing revenue for previously satisfied performance obligations in such period. Our partners generally pay development milestones subsequent to achievement of the triggering event.

Research and development services: For amounts allocated to our research and development obligations in a collaboration arrangement, we recognize revenue over time using a proportional performance model, representing the transfer of goods or services as we perform activities over the term of the agreement.

Our revenue recognition policies under ASC 605 are described in our Annual Report on Form 10-K for the year ended December 31, 2017.

Research and Development Expense

Research and development costs are expensed as incurred and include salaries, benefits and other operating costs such as outside services, supplies and allocated overhead costs. We perform research and development for our proprietary drug candidates and technology development and for certain third parties under collaboration agreements. For our proprietary drug candidates and our internal technology development programs, we invest our own funds without reimbursement from a third party. Where we perform research and development activities under a clinical joint development collaboration, such as our collaboration with Bristol-Myers Squibb, we record the cost reimbursement from our partner as a reduction to research and development expense when reimbursement amounts are due to us under the agreement.

We record accruals for the estimated costs of our clinical trial activities performed by third parties. The financial terms of these agreements are subject to negotiation, vary from contract to contract and may result in uneven payment flows to our vendors. Payments under the contracts depend on factors such as the achievement of certain events, successful enrollment of patients, and completion of certain clinical trial activities. We generally accrue costs associated with the start-up and reporting phases of the clinical trials ratably over the estimated duration of the start-up and reporting phases. We generally accrue costs associated with the treatment phase of clinical trials based on the total estimated cost of the treatment phase on a per patient basis and we expense the per patient cost ratably over the estimated patient treatment period based on patient enrollment in the trials. In specific circumstances, such as for certain time-based costs, we recognize clinical trial expenses using a methodology that we consider to be more reflective of the timing of costs incurred. Advance payments for goods or services that will be used or rendered for future research and development activities are capitalized as prepaid expenses and recognized as expense as the related goods are delivered or the related services are performed. We base our estimates on the best information available at the time. However, additional information may become available to us which may allow us to make a more accurate estimate in future periods. In this event, we may be required to record adjustments to research and development expenses in future periods when the actual level of activity becomes more certain. Such increases or decreases in cost are generally considered to be changes in estimates and will be reflected in research and development expenses in the period identified.

Long-Lived Assets

We assess the impairment of long-lived assets, primarily property, plant and equipment and goodwill, whenever events or changes in business circumstances indicate that the carrying amounts of the assets may not be fully recoverable. When such events occur, we determine whether there has been an impairment in value by comparing the carrying value of the asset with its fair value, as measured by the anticipated undiscounted net cash flows associated with the asset. In the case of goodwill impairment, we perform an impairment test at least annually, on October 1 of each year, and market capitalization is generally used as the measure of fair value. If an impairment in value exists, the asset is written down to its estimated fair value.

Income Taxes

For the three months ended March 31, 2018 and 2017, we recorded an income tax provision for our Nektar India operations at an effective tax rate of approximately 31% and 35%, respectively. The U.S. Tax Cuts and Jobs Act was enacted on December 22, 2017 and reduces the U.S. federal corporate tax rate from 35% in 2017 to 21% in 2018. The U.S. federal deferred tax assets generated from our net operating losses have been fully reserved, as we believe it is not more likely than not that the benefit will be realized.

Recent Accounting Pronouncements

In February 2016, the FASB issued guidance to amend a number of aspects of lease accounting, including requiring lessees to recognize almost all leases with a term greater than one year as a right-of-use asset and corresponding liability, measured at the present value of the lease payments. The guidance will become effective for us beginning in the first quarter of 2019 and is required to be adopted using a modified retrospective approach. Early adoption is permitted. We are currently evaluating the impact of the adoption of this standard.

Note 2 — Cash and Investments in Marketable Securities

Cash and investments in marketable securities, including cash equivalents, are as follows (in thousands):

	Estimated Fair Value at	
	March 31, 2018	December 31, 2017
Cash and cash equivalents	$ 34,805	$ 4,762
Short-term investments	261,854	291,370
Long-term investments	37,157	57,088
Total cash and investments in marketable securities	$ 333,816	$ 353,220

We invest in liquid, high quality debt securities. Our investments in debt securities are subject to interest rate risk. To minimize the exposure due to an adverse shift in interest rates, we invest in securities with maturities of two years or less and maintain a weighted average maturity of one year or less. As of March 31, 2018 and December 31, 2017, all of our long-term investments had maturities between one and two years.

Gross unrealized gains and losses were not significant at either March 31, 2018 or December 31, 2017. During the three months ended March 31, 2018 and 2017, we sold available-for-sale securities totaling $12.0 million and $8.8 million, respectively, and gross realized gains and losses on those sales were not significant. The cost of securities sold is based on the specific identification method.

Under the terms of our 7.75% senior secured notes due October 2020, we are required to maintain a minimum cash and investments in marketable securities balance of $60.0 million.

Our portfolio of cash and investments in marketable securities includes (in thousands):

	Fair Value Hierarchy Level	Estimated Fair Value at March 31, 2018	Estimated Fair Value at December 31, 2017
Corporate notes and bonds	2	$ 189,845	$ 216,253
Corporate commercial paper	2	104,967	128,096
Obligations of U.S. government agencies	2	2,974	2,977
Available-for-sale investments		297,786	347,326
Money market funds	1	21,055	302
Certificate of deposit	N/A	1,225	1,132
Cash	N/A	13,750	4,460
Total cash and investments in marketable securities		$ 333,816	$ 353,220

Level 1 — Quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We use a market approach to value our Level 2 investments. The disclosed fair value related to our investments is based on market prices from a variety of industry standard data providers and generally represents quoted prices for similar assets in active markets or has been derived from observable market data. During the three months ended March 31, 2018 and 2017, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

Additionally, as of March 31, 2018, based on a discounted cash flow analysis using Level 3 inputs including financial discount rates, we believe the fair value of the $250.0 million in principal amount of our 7.75% senior secured notes due October 2020 is approximately $262.0 million. We may redeem some or all of these notes at a redemption price equal to 104% of the principal amount of the notes if the redemption date is prior to October 5, 2018, 102% of the principal amount of the notes if the redemption date is prior to October 5, 2019, or 100% of the principal amount of the notes if the redemption date is on or after October 5, 2019, plus, in each case, accrued and unpaid interest to the applicable redemption date.

Note 3 — Inventory

Inventory consists of the following (in thousands):

	March 31, 2018	December 31, 2017
Raw materials	$ 1,742	$ 1,796
Work-in-process	7,918	4,843
Finished goods	1,015	4,087
Total inventory	$ 10,675	$ 10,726

Inventory is generally manufactured upon receipt of firm purchase orders from our collaboration partners. Inventory includes direct materials, direct labor, and manufacturing overhead and cost is determined on a first-in, first-out basis. Inventory is valued at the lower of cost or net realizable value and defective or excess inventory is written down to net realizable value based on historical experience or projected usage.

Note 4 — Liability Related to Sale of Future Royalties

On February 24, 2012, we entered into a Purchase and Sale Agreement (the Purchase and Sale Agreement) with RPI Finance Trust (RPI), an affiliate of Royalty Pharma, pursuant to which we sold, and RPI purchased, our right to receive royalty payments (the Royalty Entitlement) arising from the worldwide net sales, from and after January 1, 2012, of (a) CIMZIA®, under our license, manufacturing and supply agreement with UCB Pharma (UCB), and (b) MIRCERA®, under our license, manufacturing and supply agreement with F. Hoffmann-La Roche Ltd and Hoffmann-La Roche Inc. (together referred to as Roche). We received aggregate cash proceeds of $124.0 million for the Royalty Entitlement. As part of this sale, we incurred approximately $4.4 million in transaction

costs, which will be amortized to interest expense over the estimated life of the Purchase and Sale Agreement. Although we sold all of our rights to receive royalties from the CIMZIA® and MIRCERA® products, as a result of our ongoing manufacturing and supply obligations related to the generation of these royalties, we will continue to account for these royalties as revenue. We recorded the $124.0 million in proceeds from this transaction as a liability (Royalty Obligation) that will be amortized using the interest method over the estimated life of the Purchase and Sale Agreement as royalties from the CIMZIA® and MIRCERA® products are remitted directly to RPI. During the three months ended March 31, 2018 and 2017, we recognized $6.9 million and $6.7 million, respectively, in non-cash royalty revenue from net sales of CIMZIA® and MIRCERA®, and we recorded $5.0 million and $4.6 million, respectively, of related non-cash interest expense.

We periodically assess the estimated royalty payments to RPI from UCB and Roche and to the extent such payments are greater or less than our initial estimates or the timing of such payments is materially different from our original estimates, we will prospectively adjust the amortization of the Royalty Obligation. From inception through 2017, our estimate of the total interest expense on the Royalty Obligation resulted in an effective annual interest rate of approximately 17%. During the three months ended December 31, 2017, as a result of increases in the forecasted sales of CIMZIA®, our estimate of the effective annual interest rate over the life of the agreement increased to 17.6%, which results in a prospective interest rate of approximately 21%.

The Purchase and Sale Agreement grants RPI the right to receive certain reports and other information relating to the Royalty Entitlement and contains other representations and warranties, covenants and indemnification obligations that are customary for a transaction of this nature. To our knowledge, we are currently in compliance with these provisions of the Purchase and Sale Agreement; however, if we were to breach our obligations, we could be required to pay damages to RPI that are not limited to the purchase price we received in the sale transaction.

Note 5 — Commitments and Contingencies

Legal Matters

From time to time, we are involved in lawsuits, arbitrations, claims, investigations and proceedings, consisting of intellectual property, commercial, employment and other matters, which arise in the ordinary course of business. We make provisions for liabilities when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Such provisions are reviewed at least quarterly and adjusted to reflect the impact of settlement negotiations, judicial and administrative rulings, advice of legal counsel, and other information and events pertaining to a particular case. Litigation is inherently unpredictable. If any unfavorable ruling were to occur in any specific period, there exists the possibility of a material adverse impact on the results of our operations of that period and on our cash flows and liquidity.

Indemnifications in Connection with Commercial Agreements

As part of our collaboration agreements with our partners related to the license, development, manufacture and supply of drugs based on our proprietary technologies and drug candidates, we generally agree to defend, indemnify and hold harmless our partners from and against third party liabilities arising out of the agreement, including product liability (with respect to our activities) and infringement of intellectual property to the extent the intellectual property is developed by us and licensed to our partners. The term of these indemnification obligations is generally perpetual any time after execution of the agreement. There is generally no limitation on the potential amount of future payments we could be required to make under these indemnification obligations.

From time to time, we enter into other strategic agreements such as divestitures and financing transactions pursuant to which we are required to make representations and warranties and undertake to perform or comply with certain covenants, including our obligation to RPI described in Note 4. In the event it is determined that we breached certain of the representations and warranties or covenants made by us in any such agreements, we could incur substantial indemnification liabilities depending on the timing, nature, and amount of any such claims.

To date, we have not incurred costs to defend lawsuits or settle claims related to these indemnification obligations. Because the aggregate amount of any potential indemnification obligation is not a stated amount, the overall maximum amount of any such obligations cannot be reasonably estimated. No liabilities have been recorded for these obligations in our Condensed Consolidated Balance Sheets at either March 31, 2018 or December 31, 2017.

Note 6 — License and Collaboration Agreements

We have entered into various collaboration agreements including license agreements and collaborative research, development and commercialization agreements with various pharmaceutical and biotechnology companies. As described in Note 1, in January 1, 2018, we adopted ASC 606, *Revenue Recognition - Revenue from Contracts with Customers*, which supersedes the guidance in ASC

605, *Revenue Recognition*. We recognized revenue under ASC 606 for the three months ended March 31, 2018 and under ASC 605 for the three months ended March 31, 2017. In accordance with our collaboration agreements, we recognized license, collaboration and other revenue as follows (in thousands):

Partner	Drug or Drug Candidate	Three months ended March 31, 2018	Three months ended March 31, 2017
Baxalta Incorporated/Shire	ADYNOVATE®	$ 10,011	$ —
Eli Lilly and Company	NKTR-358	2,354	—
Amgen, Inc.	Neulasta®	1,250	1,250
AstraZeneca AB	MOVANTIK® and MOVANTIK® fixed-dose combination program	—	3,000
Other		112	1,842
License, collaboration and other revenue		$ 13,727	$ 6,092

In the three months ended March 31, 2018, we recognized $28.0 million of revenue for performance obligations that we had satisfied in prior periods. This amount includes all of our royalty revenue and non-cash royalty revenue because these royalties substantially relate to the licenses that we had previously granted. This amount also includes the $10.0 million development milestone payment earned and received from Baxalta in the three months ended March 31, 2018 described below.

The following table presents the changes in our deferred revenue balance from our collaboration agreements during the three months ended March 31, 2018:

	Three months ended March 31, 2018
Deferred revenue—December 31, 2017	$ 37,970
Transition adjustment related to adoption of ASC 606	(1,953)
Recognition of previously unearned revenue	(3,678)
Deferred revenue—March 31, 2018	$ 32,339

Our balance of deferred revenue contains the transaction price from our collaboration agreements allocated to performance obligations which are partially unsatisfied. We expect to recognize approximately $19.5 million of our deferred revenue over the next twelve months and recognize the significant majority of the remaining $12.8 million over the following twelve months.

As of March 31, 2018, our collaboration agreements with partners included potential future payments for development milestones totaling approximately $295.5 million, including amounts from our agreement with Lilly described below. In addition, under our collaboration agreements we are entitled to receive contingent development payments and contingent sales milestones and royalty payments, as described below.

There have been no material changes to our collaboration agreements in the three months ended March 31, 2018, except as described below.

Bristol-Myers Squibb (BMS)*: NKTR-214*

On February 13, 2018, we entered into a Strategic Collaboration Agreement with BMS (BMS Collaboration Agreement) and Share Purchase Agreement, both of which became effective on April 3, 2018 and accordingly are not reflected in our Condensed Consolidated Financial Statements as of March 31, 2018. Pursuant to these agreements, we and BMS will jointly develop NKTR-214, including, without limitation, in combination with BMS's Opdivo® (nivolumab) and Opdivo® plus Yervoy® (ipilimumab), and other compounds of BMS, us or any third party. The parties have agreed to jointly commercialize NKTR-214 on a worldwide basis. We will record all worldwide sales for NKTR-214. We will share global commercialization profits and losses with BMS for NKTR-214, with Nektar sharing 65% and BMS sharing 35% of the net profits and losses. BMS will lead commercialization efforts for combinations of NKTR-214 with BMS proprietary medicines, and we will lead all other commercialization efforts for NKTR-214. We will have the final decision-making authority regarding the pricing for NKTR-214. NKTR-214 will be sold on a stand-alone basis and there will be no fixed-dose combinations or co-packaging. Pursuant to a Joint Development Plan (JDP), the parties will initially conduct a series of registration-enabling trials in more than 20 indications in nine tumor types. This JDP may be updated and expanded only upon mutual agreement of the parties. The parties will share the development costs for NKTR-214 in combination regimens based on each party's relative ownership interest in the compounds included in the regimens. For example, the parties will share development costs for NKTR-214 in combination with Opdivo®, 67.5% of costs to BMS and 32.5% to Nektar, and for NKTR-214 in a triplet combination with Opdivo® and Yervoy®, 78% of costs to BMS and 22% to Nektar.

Upon the effective date in April 2018, BMS paid us a non-refundable upfront cash payment of $1.0 billion. We are eligible to receive additional cash payments up to a total of $1.43 billion upon the achievement of certain development and regulatory milestones and up to a total of $350.0 million upon the achievement of certain sales milestones. In April 2018, BMS also purchased 8,284,600 shares of our common stock for total additional cash consideration of $850.0 million, or $102.60 per share.

The BMS Collaboration Agreement superseded and replaced the Clinical Trial Agreement we entered into with BMS in September 2016 to develop NKTR-214 in combination with Opdivo®. Under the Clinical Trial Agreement, we acted as the sponsor of each Combination Therapy Trial and BMS was responsible for 50% of all out-of-pocket costs reasonably incurred in connection with third party contract research organizations, laboratories, clinical sites and institutional review boards. We recorded cost reimbursement payments to us from BMS as a reduction to research and development expense. Each party was otherwise responsible for its own internal costs, including internal personnel costs, incurred in connection with each Combination Therapy Trial.

***Eli Lilly and Company (Lilly)**: NKTR-358*

Effective August 23, 2017, we entered into a worldwide license agreement with Eli Lilly and Company (Lilly) to co-develop NKTR-358, a novel immunological drug candidate that we invented. Under the terms of the agreement we (i) received an initial payment of $150.0 million in September 2017 and are eligible for up to $250.0 million in additional development milestones, (ii) will co-develop NKTR-358 with Lilly, for which we are responsible for completing Phase 1 clinical development and certain drug product development and supply activities, (iii) will share with Lilly Phase 2 development costs with 75% of those costs borne by Lilly and 25% of the costs borne by us, (iv) will have the option to contribute funding to Phase 3 development on an indication-by-indication basis ranging from zero to 25% of development costs, and (v) will have the opportunity to receive up to double-digit sales royalty rates that escalate based upon our Phase 3 development cost contribution and the level of annual global product sales. Lilly will be responsible for all costs of global commercialization and we will have an option to co-promote in the U.S. under certain conditions. A portion of the development milestones may be reduced by 50% under certain conditions, related to the final formulation of the approved product and the timing of prior approval (if any) of competitive products with a similar mechanism of action, which could reduce these milestone payments by 75% if both conditions occur.

The agreement will continue until Lilly no longer has any royalty payment obligations or, if earlier, the termination of the agreement in accordance with its terms. The agreement may be terminated by Lilly for convenience, and may also be terminated under certain other circumstances, including material breach.

We identified our license grant to Lilly, our ongoing Phase 1 clinical development obligation and our drug product development obligation as the significant performance obligations in the arrangement. The valuation of each performance obligation involves significant estimates and assumptions, including but not limited to, expected market opportunity and pricing, assumed royalty rates, clinical trial costs, timelines and likelihood of success; in each case these estimates and assumptions covering long time periods. We determined the selling price for the license based on a discounted cash flow analysis of projected revenues from NKTR-358 and development and commercial costs using a discount rate based on a market participant's weighted average cost of capital adjusted for forecasting risk. We determined the selling prices for our Phase 1 clinical development and drug product development deliverables based on the nature of the services to be performed and estimates of the associated efforts and third-party rates for similar services.

Although we are entitled to significant development milestones under this arrangement, we did not include any of such milestones in the transaction price due to the significant uncertainties involved with clinical development. We have therefore determined the transaction price to consist of the upfront payment of $150.0 million in September 2017. Based on our estimates of the standalone selling prices of the performance obligations, we allocated the $150.0 million upfront payment as $125.9 million to the license, $17.6 million to the Phase 1 clinical development and $6.5 million to the drug product development.

Under our adoption of ASC 606 as of January 1, 2018, we made no changes to our deferred revenue balance totaling $19.9 million, reflecting $14.5 million for the Phase 1 clinical development and $5.4 million for drug product development. We concluded that it was appropriate to have recognized the $125.9 million of revenue allocated to the license upon the effective date of the license agreement in August 2017, since we determined that the license was a right to use our intellectual property, for which, as of the effective date, we had provided all necessary information to Lilly to benefit from the license and the license term had begun. We recognize revenue for the Phase 1 clinical development and drug product development using an input method, using costs incurred, as this method depicts our progress towards providing Lilly with the results of clinical trials and drug production processes. As of March 31, 2018, we have deferred revenue of approximately $17.6 million related to this agreement, which we expect to recognize through December 2019, the estimated end of our performance obligations under this agreement.

***Baxalta Incorporated/Shire**: Hemophilia*

We are a party to an exclusive research, development, license and manufacturing and supply agreement with Baxalta Incorporated (Baxalta), a subsidiary of Shire plc, entered into in September 2005 to develop products designed to improve therapies for Hemophilia A patients using our PEGylation technology. Under the terms of the agreement, we are entitled to research and development funding for our active programs, which are now complete for Factor VIII, and are responsible for supplying Baxalta with its requirements for our proprietary materials. Baxalta is responsible for all clinical development, regulatory, and commercialization expenses. The agreement is terminable by the parties under customary conditions.

This Hemophilia A program includes ADYNOVATE®, which was approved by the United States Food and Drug Administration (FDA) in November 2015 for use in adults and adolescents, aged 12 years and older, who have Hemophilia A, and is now marketed in the U.S., the European Union, and many other countries. As a result of the marketing authorization in the EU in January 2018, we earned a $10.0 million development milestone, which was received in March 2018. In addition, we are entitled to sales milestones upon achievement of annual sales targets and royalties based on annual worldwide net sales of products resulting from this agreement.

In October 2017, we entered into a right to sublicense agreement with Baxalta under which we granted to Baxalta the right to grant a nonexclusive sublicense to certain patents that were previously exclusively licensed to Baxalta under our 2005 agreement. Under the right to sublicense agreement, Baxalta paid us $12.0 million in November 2017 and agreed to pay us single digit royalty payments based upon net sales of the products covered under the sublicense throughout the term of the agreement.

Under our adoption of ASC 606 as of January 1, 2018, we determined that our satisfied performance obligations consist of granting the license, granting the right to sublicense and performing research and development services. We determined that we have an unsatisfied performance obligation related to our ongoing supply of PEGylation materials at a price less than their standalone selling prices. We updated the arrangement transaction price in the three months ended March 31, 2018 for the $10.0 million EU approval milestone achieved in January 2018 since we had previously excluded it due to the significant uncertainty from regulatory approval. Based on the terms of this milestone, we allocated the entire milestone to the license grant and research and development services, and therefore recognized the entire $10.0 million in the three months ended March 31, 2018 as we had previously satisfied those performance obligations. As of March 31, 2018, we have deferred revenue of $1.0 million related to this agreement.

***Amgen, Inc**.: Neulasta®*

In October 2010, we amended and restated an existing supply and license agreement by entering into a supply, dedicated suite and manufacturing guarantee agreement (the amended and restated agreement) and a license agreement with Amgen Inc. and Amgen Manufacturing, Limited (together referred to as Amgen). Under the terms of the amended and restated agreement, we received a $50.0 million payment in the fourth quarter of 2010 in return for our guaranteeing the supply of certain quantities of our proprietary PEGylation materials to Amgen.

Under our adoption ASC 606 as of January 1, 2018, we determined that our obligation to manufacture and supply of our PEGylation materials and to maintain the dedicated manufacturing suite solely for the production of such materials for Amgen represented an obligation to stand ready to manufacture such materials. We concluded that we should recognize revenue based on the passage of time as this method depicts the satisfaction of Amgen's right to require production of PEGylation materials at any time. As of March 31, 2018, we have deferred revenue of approximately $12.9 million related to this agreement, which we expect to recognize through October 2020, the estimated end of our obligations under this agreement.

***AstraZeneca AB**: MOVANTIK® (naloxegol oxalate), previously referred to as naloxegol and NKTR-118, and MOVANTIK® fixed-dose combination program, previously referred to as NKTR-119*

In September 2009, we entered into an agreement with AstraZeneca AB (AstraZeneca) under which we granted AstraZeneca a worldwide, exclusive license under our patents and other intellectual property to develop, market, and sell MOVANTIK® and MOVANTIK® fixed-dose combination program. AstraZeneca is responsible for all research, development and commercialization and is responsible for all drug development and commercialization decisions for MOVANTIK® and the MOVANTIK® fixed-dose combination program. In September 2014 and December 2014, MOVANTIK® /MOVENTIG® was approved in the US and EU, respectively. As of March 31, 2018, we have received a total of $385.0 million of upfront and contingent milestone payments from this agreement, all of which was received in or before 2015. We are entitled to receive up to $75.0 million of commercial launch contingent payments related to the MOVANTIK® fixed-dose combination program, based on development events to be pursued and completed solely by AstraZeneca. In addition, we are entitled to significant and escalating double-digit royalty payments and sales milestone payments based on annual worldwide net sales of MOVANTIK® and MOVANTIK® fixed-dose combination products.

In March 2016, AstraZeneca announced that it had entered into an agreement with ProStrakan Group plc, a subsidiary of Kyowa Hakko Kirin Co. Ltd. (Kirin), granting Kirin exclusive marketing rights to MOVENTIG® in the EU, Iceland, Liechtenstein, Norway and Switzerland. Under our license agreement with AstraZeneca, we and AstraZeneca will share the upfront payment, market access milestone payments, royalties and sales milestone payments made by Kirin to AstraZeneca with AstraZeneca receiving 60% and Nektar receiving 40%. In the three months ended March 31, 2017, we recognized a total of $3.0 million related to our share of license-related payments made from Kirin to AstraZeneca. As of March 31, 2018, we do not have deferred revenue related to our agreement with AstraZeneca.

Other

In addition, as of March 31, 2018, we have a number of other collaboration agreements, including with our collaboration partners UCB and Halozyme, under which we are entitled to up to a total of $45.5 million of development milestone payments upon achievement of certain development objectives, as well as sales milestones upon achievement of annual sales targets and royalties based on net sales of commercialized products, if any. However, given the current phase of development of the potential products under these collaboration agreements, we cannot estimate the probability or timing of achieving these milestones and, therefore, have excluded all development milestones from the respective transaction prices for these agreements. As of March 31, 2018, we have deferred revenue of approximately $0.8 million related to these other collaboration agreements.

Note 7 — Stock-Based Compensation

Total stock-based compensation expense was recognized in our Condensed Consolidated Statements of Operations as follows (in thousands):

	Three months ended March 31,	
	2018	2017
Cost of goods sold	$ 418	$ 608
Research and development	11,056	4,664
General and administrative	8,475	2,912
Total stock-based compensation	$ 19,949	$ 8,184

During the three months ended March 31, 2018 and 2017, we granted 209,700 and 328,860 stock options, respectively, and these options had a weighted average grant-date fair value of $68.88 per share and $7.94 per share, respectively. During the three months ended March 31, 2018, we granted 10,000 RSUs. We did not grant any RSUs during the three months ended March 31, 2017.

As a result of stock issuances under our equity compensation plans, during the three months ended March 31, 2018 and 2017, we issued 2,854,816 and 1,518,605 shares of our common stock, respectively.

Note 8 — Net Loss Per Share

Basic net loss per share is calculated based on the weighted-average number of common shares outstanding during the periods presented. For all periods presented in the accompanying Condensed Consolidated Statements of Operations, basic and diluted net loss per share are the same due to our net losses and the requirement to exclude potentially dilutive securities which would have an antidilutive effect on net loss per share. During the three months ended March 31, 2018 and 2017, potentially dilutive securities consisted of common shares underlying outstanding stock options and RSUs. During the three months ended March 31, 2018 and 2017, there were weighted average outstanding stock options and RSUs of 20.0 million and 21.0 million shares, respectively.

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

The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed here. Factors that could cause or contribute to such differences include, but are not limited to those discussed in this section as well as factors described in Part II, Item 1A- "Risk Factors."

Overview

Strategic Direction of Our Business

Nektar Therapeutics is a research-based biopharmaceutical company that discovers and develops innovative new medicines in areas of high unmet medical need. Our research and development pipeline of new investigational drugs includes treatments for cancer, autoimmune disease and chronic pain. We leverage our proprietary and proven chemistry platform to discover and design new drug candidates. These drug candidates utilize our advanced polymer conjugate technology platforms, which are designed to enable the development of new molecular entities that target known mechanisms of action.

We continue to make significant investments in building and advancing our pipeline of proprietary drug candidates as we believe that this is the best strategy to build stockholder value. Described below are certain key events and activities where we are making investments in advancing our research and development pipeline.

- On February 13, 2018, we entered into the BMS Collaboration Agreement, pursuant to which we and BMS will jointly develop NKTR-214, our lead immunooncology drug candidate, in combination with BMS's Opdivo® (nivolumab) and/or Opdivo® plus Yervoy® (ipilimumab), in more than 20 indications across nine tumor types, as well as potential combinations with other anti-cancer agents from BMS, us and third parties. On April 3, 2018, the closing date of the transaction, BMS made a non-refundable upfront cash payment of $1.0 billion to us under the Collaboration Agreement. On April 3, 2018, BMS also paid the purchase price of $102.60 per share for the sale and issuance of 8,284,600 shares of common stock, or a total of approximately $850.0 million, under a Share Purchase Agreement (Purchase Agreement).
- In 2017, as part of our broad Phase 1/2 clinical collaboration with BMS in five tumor types and eight potential indications, we commenced a broad clinical development program for NKTR-214 in combination with other immunooncology agents including Opdivo® (nivolumab), a dose-escalation study, and numerous preclinical collaboration programs. In 2017, we also began dosing a clinical study evaluating the efficacy and safety of NKTR-214 in combination with approved immunooncology agents, TECENTRIQ® (atezolizumab) and KEYTRUDA® (pembrolizumab).
- In the last half of 2017, we completed enrollment in the dose-escalation phase of the NKTR-214 study evaluating NKTR-214 in combination with Opdivo® (nivolumab) in patients with melanoma, renal cell carcinoma and non-small cell lung cancer which we call the PIVOT-02 study. On November 11, 2017, we announced interim data from the dose-escalation phase of the PIVOT-02 Phase 1/2 study. We have identified the Phase 2 dose for NKTR-214 and are currently enrolling subjects in the expansion phase of the study.
- On April 24, 2018, we announced a clinical collaboration with Takeda Pharmaceutical Company Limited (Takeda) to evaluate NKTR-214 with Takeda's investigational medicine, TAK-659, a dual inhibitor of both spleen tyrosine kinase (SYK) and FLT-3.
- In February 2017, we filed an investigational new drug (IND) application for NKTR-358, our autoimmune disease drug candidate. We began the Phase 1 clinical study to evaluate single-ascending doses of NKTR-358 in healthy volunteers in March 2017. On July 24, 2017, we entered into a license agreement with Lilly to co-develop NKTR-358. This study is designed to establish a range of dose levels and evaluate pharmacokinetics and safety. A Phase 1 multiple-ascending dose trial was initiated in May of 2018 in lupus patients.
- On March 20, 2017, we announced that NKTR-181 met its primary and secondary endpoints in the SUMMIT-07 Phase 3 efficacy study. On July 18, 2017, we announced positive top-line data for our pivotal human abuse potential study (the HAP study) for NKTR-181. The HAP study was designed to assess the relative oral abuse potential of NKTR-181 at its highest tested therapeutic dose as well as at the highest dose to which patients have been exposed in our long-term safety study and at a supratherapeutic dose compared to common therapeutic doses of oxycodone, a Schedule II opioid. Following the success of the SUMMIT-07 Phase 3 efficacy study and the HAP study, we are seeking a partner to support future development and commercialization activities for NKTR-181. We are currently planning to file the NDA for NKTR-181 in the second quarter of 2018.
- We filed the IND for NKTR-262 in December 2017 and initiated enrollment of patients in the initial Phase 1/2 study in April 2018. We are also completing preclinical research for NKTR-255 with the goal of advancing this program into the clinic in 2019.

The level of our future research and development investment will depend on a number of trends and uncertainties including clinical outcomes, future studies required to advance programs to regulatory approval, and the economics related to potential future collaborations that may include upfront payments, development funding, milestones, and royalties.

We also have significant milestone and royalty economic interests in approved drugs and drug candidates in late stage development with our collaboration partners. With AstraZeneca, we have a collaboration for MOVANTIK®, an oral peripherally-acting mu-opioid antagonist for the treatment of opioid-induced constipation in adult patients with non-cancer pain. MOVANTIK® is approved by health authorities in the United States, the European Union, and many other countries. We have a collaboration with Baxalta (a wholly-owned subsidiary of Shire plc) for ADYNOVATE®, that was approved by the FDA in late 2015 for use in adults and adolescents, aged 12 years and older, who have Hemophilia A. ADYNOVI™ was approved by health authorities in Europe in January 2018, and ADYNOVATE® is approved by health authorities in many other countries.

Our business is subject to significant risks, including the risks inherent in our development efforts, the results of our clinical trials, our dependence on the marketing efforts by our collaboration partners, uncertainties associated with obtaining and enforcing patents, the lengthy and expensive regulatory approval process and competition from other products. For a discussion of these and some of the other key risks and uncertainties affecting our business, see Part II, Item 1A "Risk Factors."

While the approved drugs and clinical development programs described above are key elements of our future success, we believe it is critically important that we continue to make substantial investments in our earlier-stage drug candidate pipeline. We have several drug candidates in earlier stage clinical development or being explored in research that we are preparing to advance into the clinic in future years. We are also advancing several other drug candidates in preclinical development in the areas of cancer immunotherapy, immunology, and other therapeutic indications. While we believe that our substantial investment in research and development has the potential to create significant value if one or more of our drug candidates demonstrates positive clinical results, receives regulatory approval in one or more major markets and achieves commercial success, drug research and development is an inherently uncertain process and there is a high risk of failure at every stage prior to approval and the timing and outcome of clinical trial results are extremely difficult to predict. Clinical development successes and failures can have a disproportionately positive or negative impact on our scientific and medical prospects, financial condition and prospects, results of operations and market value.

Historically, we have entered into a number of license and supply contracts under which we manufactured and supplied our proprietary polymer reagents on a fixed price or cost-plus basis. Our current strategy is to manufacture and supply polymer reagents to support our proprietary drug candidates or our third-party collaborators where we have a strategic development and commercialization relationship or where we derive substantial economic benefit.

Key Developments and Trends in Liquidity and Capital Resources

We estimate that we have working capital to fund our current business plans through at least the next twelve months. As of March 31, 2018, we had approximately $333.8 million in cash and investments in marketable securities and had debt of $250.0 million in principal of senior secured notes due in October 2020. In addition, as described above and in Note 6 to our Condensed Consolidated Financial Statements, we entered into the BMS Collaboration Agreement and the Purchase Agreement with BMS on February 13, 2018, upon the effectiveness of which, in April 2018, BMS paid us a non-refundable upfront cash payment of $1.0 billion and purchased 8,284,600 shares of our common stock for a total cash payment of $850.0 million.

Results of Operations

Three Months Ended March 31, 2018 and 2017

Revenue (in thousands, except percentages)

	Three months ended March 31,		Increase/ (Decrease) 2018 vs. 2017	Percentage Increase/ (Decrease) 2018 vs. 2017
	2018	2017		
Product sales	$ 6,295	$ 4,756	$ 1,539	32%
Royalty revenue	11,076	7,217	3,859	53%
Non-cash royalty revenue related to sale of future royalties	6,920	6,663	257	4%
License, collaboration and other revenue	13,727	6,092	7,635	>100%
Total revenue	$ 38,018	$ 24,728	$ 13,290	54%

As described in Note 1 to our Condensed Consolidated Financial Statements, in January 1, 2018, we adopted Accounting Standards Codification (ASC) 606, *Revenue Recognition - Revenue from Contracts with Customers.* ASC 606 supersedes the guidance in ASC 605, *Revenue Recognition*. We adopted ASC 606 on a modified retrospective basis under which we recognized the $12.7 million cumulative effect of adoption as a reduction to opening accumulated deficit. Revenue for the three months ended March 31, 2017 was recorded under ASC 605, while revenue for the three months ended March 31, 2018 was recorded under ASC 606. If we had continued to use ASC 605 during 2018, revenue would have been $37.9 million in the three months ended March 31, 2018 as compared to the $38.0 million actually recorded.

Our revenue is derived from our collaboration agreements, under which we may receive product sales revenue, royalties, license fees, milestone and other contingent payments and/or contract research payments. Revenue is recognized when we transfer promised goods or services to our collaboration partners. The amount of upfront fees received under our license and collaboration agreements allocated to continuing obligations, such as manufacturing and supply commitments, is generally recognized as we deliver products or provide development services. As a result, there may be significant variations in the timing of receipt of cash payments and our recognition of revenue. We make our best estimate of the timing and amount of products and services expected to be required to fulfill our performance obligations. Given the uncertainties in research and development collaborations, significant judgment is required by us to make these estimates.

Product Sales

Product sales include predominantly fixed price manufacturing and supply agreements with our collaboration partners and are the result of firm purchase orders from those partners. The timing of shipments is based solely on the demand and requirements of our collaboration partners and is not ratable throughout the year.

Product sales increased for the three months ended March 31, 2018 compared to the three months ended March 31, 2017 primarily due to increased product demand from our collaboration partners. We expect product sales for the full year of 2018 to decrease compared to 2017 primarily due to the termination in October 2017 of our collaboration agreement with Ophthotech Corporation.

Royalty Revenue

We receive royalty revenue from certain of our collaboration partners based on their net sales of commercial products. Royalty revenue for AstraZeneca's MOVANTIK® and MOVENTIG® and Baxalta's ADYNOVATE®, each of which was launched in 2015, increased for the three months ended March 31, 2018 compared to the three months ended March 31, 2017. We expect royalty revenue for the full year of 2018 to increase as compared to 2017 due to royalties we expect to receive as a result of continued sales growth of these partnered products and the approval of ADYNOVI™ in the EU in January 2018.

As part of its approval of MOVANTIK®, the FDA required AstraZeneca to perform a post-marketing, observational epidemiological study comparing MOVANTIK® to other treatments of OIC in patients with chronic, non-cancer pain. As a result, the royalty rate payable to us from net sales of MOVANTIK® in the U.S. by AstraZeneca can be reduced by up to two percentage points to fund 33% of the external costs incurred by AstraZeneca to fund such post approval study, subject to a $35.0 million aggregate cap. As of March 31, 2018, our cumulative share of the post-approval study expenses has been $0.9 million. Any costs incurred by AstraZeneca can only be recovered by the reduction of the royalty paid to us. In no case can amounts be recovered by the reduction of a contingent payment due from AstraZeneca to us or through a payment from us to AstraZeneca.

Non-cash Royalty Revenue Related to Sale of Future Royalties

In February 2012, we sold all of our rights to receive future royalty payments on CIMZIA® and MIRCERA®. As described in Note 4 to our Condensed Consolidated Financial Statements, this royalty sale transaction has been recorded as a liability that amortizes over the estimated royalty payment period. As a result of this liability accounting, even though the royalties from UCB and Roche are remitted directly to the purchaser of these royalty interests, we will continue to record revenue for these royalties. We expect non-cash royalties from net sales of CIMZIA® and MIRCERA® for the full year of 2018 to increase marginally compared to 2017.

License, Collaboration and Other Revenue

License, collaboration and other revenue includes the recognition of upfront payments, milestone and other contingent payments received in connection with our license and collaboration agreements and certain research and development activities. The level of license, collaboration and other revenue depends in part upon the achievement of milestones and other contingent events, the

continuation of existing collaborations, the amount of our research and development services, and entering into new collaboration agreements, if any.

License, collaboration and other revenue increased for the three months ended March 31, 2018 compared to the three months ended March 31, 2017 primarily due to the recognition of a $10.0 million milestone payment received in March 2018 as a result of the marketing authorization of ADYNOVI™ in the EU in January 2018.

We expect that our license, collaboration and other revenue will increase significantly in the full year of 2018 compared to 2017 as a result of the BMS Collaboration Agreement made effective in April 2018.

Cost of Goods Sold and Product Gross Margin (in thousands, except percentages)

	Three months ended March 31,		Increase/ (Decrease) 2018 vs. 2017	Percentage Increase/ (Decrease) 2018 vs. 2017
	2018	2017		
Cost of goods sold	$ 6,646	$ 6,131	$ 515	8%
Product gross profit	(351)	(1,375)	1,024	(74)%
Product gross margin	(6)%	(29)%		

As noted above, our strategy is to manufacture and supply polymer reagents to support our proprietary drug candidates or our third-party collaborators where we have a strategic development and commercialization relationship or where we derive substantial economic benefit. We have elected to only enter into and maintain those manufacturing relationships associated with long-term collaboration agreements which include multiple sources of revenue, which we view holistically and in aggregate. We have a predominantly fixed cost base associated with our manufacturing activities, which generally results in similar total cost of goods sold amounts each year. As a result, our product gross profit and margin are significantly impacted by the mix and volume of products sold in each period.

Cost of goods sold increased during the three months ended March 31, 2018 compared to the three months ended March 31, 2017 primarily due to increased product sales. The increase in product gross profit and product gross margin during the three months ended March 31, 2018 compared to the three months ended March 31, 2017 is primarily due to increased product sales as well as a more favorable product mix in 2018 compared to 2017. We have a manufacturing arrangement with a partner that includes a fixed price which is less than the fully burdened manufacturing cost for the reagent, and we expect this situation to continue with this partner in future years. There were fewer shipments to this partner relative to shipments to other customers during the three months ended March 31, 2018 compared to the three months ended March 31, 2017. In addition to product sales from reagent materials supplied to the partner where our sales are less than our fully burdened manufacturing cost, we also receive royalty revenue from this collaboration. In the three months ended March 31, 2018 and 2017, the royalty revenue from this collaboration exceeded the related negative gross profit.

We expect product gross margin to continue to fluctuate in future periods depending on the level and mix of manufacturing orders from our customers due to the predominantly fixed cost base associated with our manufacturing activities. We currently expect product gross margin to decrease for the full year of 2018 as compared to 2017 and gross margin may be negative in the full year of 2018 as a result of the anticipated decrease in product sales described above.

Research and Development Expense (in thousands, except percentages)

	Three months ended March 31,		Increase/ (Decrease) 2018 vs. 2017	Percentage Increase/ (Decrease) 2018 vs. 2017
	2018	2017		
Research and development expense	$ 99,424	$ 61,058	$ 38,366	63%

Research and development expense consists primarily of clinical study costs, direct costs of outside research, materials, supplies, licenses and fees as well as personnel costs (including salaries, benefits, and stock-based compensation). Research and development expense also includes certain overhead allocations consisting of support and facilities-related costs. Where we perform research and development activities under a clinical joint development collaboration, such as our collaboration with BMS, we record

the cost reimbursement from our partner as a reduction to research and development expense when reimbursement amounts are due to us under the agreement.

Research and development expense increased during the three months ended March 31, 2018 compared to the three months ended March 31, 2017 primarily due to our clinical development of NKTR-214, NKTR-181, NKTR-262, and preclinical activities for NKTR-255. In addition, the increase in research and development expense during the three months ended March 31, 2018 compared with the three months ended March 31, 2017 includes increases in non-cash stock-based compensation and other personnel costs. We expect research and development expense to increase significantly for the full year of 2018 compared to 2017 primarily as a result of the development of NKTR-214 under the BMS Collaboration Agreement. In addition, we expect non-cash stock-based compensation expense to increase in 2018 due to the increase in our stock price.

Other than as described in the Overview section above, there have been no material changes to the status of clinical programs in the three months ended March 31, 2018 from the activities discussed in our Annual Report on Form 10-K for the year ended December 31, 2017 on file with the SEC.

General and Administrative Expense (in thousands, except percentages)

	Three months ended March 31,		Increase/ (Decrease) 2018 vs. 2017	Percentage Increase/ (Decrease) 2018 vs. 2017
	2018	2017		
General and administrative expense	$ 18,687	$ 11,976	$ 6,711	56%

General and administrative expense includes the cost of administrative staffing, business development, marketing, finance, and legal activities. General and administrative expense increased during the three months ended March 31, 2018 compared with the three months ended March 31, 2017 primarily due to increased non-cash stock based compensation expense as well as other costs related to personnel, facilities and outside services. We expect general and administrative expenses in the full year of 2018 to increase compared to 2017, including an increase in non-cash stock-based compensation expense due to the increase in our stock price.

Interest Expense (in thousands, except percentages)

	Three months ended March 31,		Increase/ (Decrease) 2018 vs. 2017	Percentage Increase/ (Decrease) 2018 vs. 2017
	2018	2017		
Interest expense	$ 5,340	$ 5,402	$ (62)	(1)%
Non-cash interest expense on liability related to sale of future royalties	5,019	4,552	467	10%

Interest expense for the three months ended March 31, 2018 decreased marginally compared with the three months ended March 31, 2017 due to decreased interest expense from our capital leases, which were fully repaid as of December 31, 2017. Interest expense during the three months ended March 31, 2018 and 2017 primarily consists of interest from our senior secured notes. In October 2015, we issued $250.0 million in aggregate principal amount of 7.75% senior secured notes due October 2020. Interest on the 7.75% senior secured notes is calculated based on actual days outstanding over a 360 day year. We expect interest expense during the full year of 2018 to decrease marginally compared to 2017.

Non-cash interest expense on the liability related to sale of future royalties for the three months ended March 31, 2018 increased compared with the three months ended March 31, 2017 as a result of the increase to our estimated interest rate. On February 24, 2012, we sold all of our rights to receive future royalty payments on CIMZIA® and MIRCERA® in exchange for $124.0 million. As described in Note 4 to our Condensed Consolidated Financial Statements, this royalty sale transaction has been recorded as a liability that amortizes over the estimated royalty payment period as CIMZIA® and MIRCERA® royalties are remitted directly to the purchaser. We impute interest on the transaction and record interest expense at the effective interest rate, which we estimated to be approximately 17% from inception to 2017. During the three month period ended December 31, 2017, as a result of increases in the forecasted sales of CIMZIA®, our estimate of the effective annual interest rate over the life of the agreement increased to approximately 17.6%, which results in a prospective interest rate of 21%. There are a number of factors that could materially affect

the estimated interest rate, in particular, the amount and timing of royalty payments from future net sales of CIMZIA® and MIRCERA®, and we will assess this estimate on a periodic basis. As a result, future interest rates could differ significantly and any such change in interest rate will be adjusted prospectively. Unless we adjust our estimated interest rate, we expect non-cash interest expense on the liability related to sale of future royalties for the full year of 2018 to increase marginally compared to 2017 as a result of the increase of the estimated prospective interest rate noted above.

Liquidity and Capital Resources

We have financed our operations primarily through revenue from product sales, royalties and strategic collaboration agreements, as well as public offering and private placements of debt and equity securities. At March 31, 2018, we had approximately $333.8 million in cash and investments in marketable securities and had debt of $250.0 million in principal of senior secured notes due on October 2020. Additionally, on April 3, 2018, BMS paid us a non-refundable upfront cash payment of $1.0 billion under the BMS Collaboration Agreement and purchased 8,284,600 shares of our common stock for a total cash payment of $850.0 million at a purchase price of $102.60 per share.

We estimate that we have working capital to fund our current business plans through at least the next twelve months. We expect the clinical development of our proprietary drug candidates, including NKTR-214, NKTR-358, NKTR-262, NKTR-255, NKTR-181, and ONZEALD™, will continue to require significant investment in order to continue to advance in clinical development and to obtain regulatory approval. In the past, we have received a number of significant payments from collaboration agreements and other significant transactions. In addition to the amounts received in April 2018 from the BMS Collaboration Agreement, in July 2017, we entered into a collaboration agreement for NKTR-358 with Lilly, under which we received a $150.0 million upfront payment. In the future, we expect to receive substantial payments from our collaboration agreements with BMS and Lilly and other existing and future collaboration transactions if drug candidates in our pipeline achieve positive clinical or regulatory outcomes. We have no credit facility or any other sources of committed capital.

Due to the potential for adverse developments in the credit markets, we may experience reduced liquidity with respect to some of our investments in marketable securities. These investments are generally held to maturity, which, in accordance with our investment policy, is less than two years. However, if the need arises to liquidate such securities before maturity, we may experience losses on liquidation. At March 31, 2018, the average time to maturity of the investments held in our portfolio was approximately five months. To date we have not experienced any liquidity issues with respect to these securities. We believe that, even allowing for potential liquidity issues with respect to these securities, our remaining cash and investments in marketable securities will be sufficient to meet our anticipated cash needs for at least the next twelve months.

Our current business plan is subject to significant uncertainties and risks as a result of, among other factors, clinical and regulatory outcomes for NKTR-214, the sales levels of our products, if and when they are approved, the sales levels for those products for which we are entitled to royalties, clinical program outcomes, whether, when and on what terms we are able to enter into new collaboration transactions, expenses being higher than anticipated, unplanned expenses, cash receipts being lower than anticipated, and the need to satisfy contingent liabilities, including litigation matters and indemnification obligations.

The availability and terms of various financing alternatives, if required in the future, substantially depend on many factors including the success or failure of drug development programs in our pipeline. The availability and terms of financing alternatives and any future significant payments from existing or new collaborations depend on the positive outcome of ongoing or planned clinical studies, whether we or our partners are successful in obtaining regulatory authority approvals in major markets, and if approved, the commercial success of these drugs, as well as general capital market conditions. We may pursue various financing alternatives to fund the expansion of our business as appropriate.

Cash flows from operating activities

Cash flows used in operating activities for the three months ended March 31, 2018 totaled $52.5 million, which includes $57.5 million of net operating cash uses as well as $5.0 million for interest payments on our senior secured notes, partially offset by the receipt of a $10.0 million milestone payment from our collaboration agreement with Baxalta.

Cash flows used in operating activities for the three months ended March 31, 2017 totaled $34.6 million, which includes $49.8 million of net operating cash uses as well as $5.0 million for interest payments on our senior secured notes, partially offset by the receipt of $20.2 million of milestones and advance payments from our collaboration agreements.

We expect that cash flows used in operating activities, excluding upfront, milestone and other contingent payments received, if any, will increase in the full year of 2018 compared to 2017 primarily as a result of increased research and development expenses.

Cash flows from investing activities

We paid $1.0 million and $4.1 million to purchase property, plant and equipment in the three months ended March 31, 2018 and 2017, respectively. We expect our capital expenditures in the full year of 2018 to increase compared to 2017.

Cash flows from financing activities

We received proceeds from issuance of common stock related to our employee option and stock purchase plans of $34.4 million and $11.8 million in the three months ended March 31, 2018 and 2017, respectively.

Contractual Obligations

There were no material changes during the three months ended March 31, 2018 to the summary of contractual obligations included in our Annual Report on Form 10-K for the year ended December 31, 2017 on file with the SEC.

Off-Balance Sheet Arrangements

We do not utilize off-balance sheet financing arrangements as a source of liquidity or financing.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form our basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates on an ongoing basis. Actual results may differ from those estimates under different assumptions or conditions. Other than as the result of the adoption of the new revenue recognition guidance (ASC 606) as described in Note 1 to our Condensed Consolidated Financial Statements, there have been no material changes to our critical accounting policies and estimates discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Our market risks at March 31, 2018 have not changed materially from those discussed in Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2017 on file with the SEC.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act of 1934 (Exchange Act) reports is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15. Based upon, and as of the date of, this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

We continuously seek to improve the efficiency and effectiveness of our internal controls. This results in refinements to processes throughout the Company. However, there was no change in our internal control over financial reporting that occurred in the three months ended March 31, 2018 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

Reference is hereby made to our disclosures in "Legal Matters" under Note 5 to our Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q and the information under the heading "Legal Matters" is incorporated by reference herein.

Item 1A. Risk Factors

Investors in Nektar Therapeutics should carefully consider the risks described below before making an investment decision. The risks described below may not be the only ones relating to our company. This description includes any material changes to and supersedes the description of the risk factors associated with our business previously disclosed in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2017. Additional risks that we currently believe are immaterial may also impair our business operations. Our business, results of operations, financial condition, cash flows and future prospects and the trading price of our common stock and our ability to repay our senior secured notes could be harmed as a result of any of these risks, and investors may lose all or part of their investment. In assessing these risks, investors should also refer to the other information contained or incorporated by reference in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the year ended December 31, 2017, including our consolidated financial statements and related notes, and our other filings made from time to time with the SEC.

Risks Related to Our Business

We are highly dependent on the success of NKTR-214, our lead I-O candidate. We are executing a broad development program for NKTR-214 and clinical and regulatory outcomes for NKTR-214, if not successful, will significantly harm our business.

Our future success is highly dependent on our ability to successfully develop, obtain regulatory approval for, and commercialize NKTR-214. In general, most early stage investigatory drugs, including oncology drug candidates such as NKTR-214, do not become approved drugs. Accordingly, there is a very meaningful risk that NKTR-214 will not succeed in one or more clinical trials sufficient to support one or more regulatory approvals. To date, clinical outcomes from NKTR-214 have had a significant impact on our market valuation, financial position, and business prospects and we expect this to continue in future periods. If one or more clinical studies of NKTR-214 are delayed or not successful, it would materially harm our market valuation, prospects, financial condition and results of operations. For example, under the BMS Collaboration Agreement, we are entitled to up to $1.43 billion in development milestones that are based upon clinical and regulatory successes from the NKTR-214 development program. One or more failures in NKTR-214 studies could jeopardize such milestone payments, and any product sales or royalty revenue or commercial milestones that we would otherwise be entitled to receive could be reduced, delayed or eliminated.

Delays in clinical studies are common and have many causes, and any significant delay in clinical studies being conducted by us or our partners could result in delay in regulatory approvals and jeopardize the ability to proceed to commercialization.

We or our partners may experience delays in clinical trials of drug candidates. We have ongoing trials evaluating NKTR-214 including a trial evaluating NKTR-214 as a potential combination treatment with BMS's Opdivo® (nivolumab) as well as other ongoing and planned combination trials. We also have an ongoing Phase 1 dose-escalation study for NKTR-358 under our collaboration with Lilly, including an on-going dose-finding trial of NKTR-358 to evaluate single-ascending doses of NKTR-358 in healthy subjects, and a multiple-ascending dose trial initiated in May of 2018 to evaluate NKTR-358 in patients with systemic lupus erythematosus. We also have ongoing trials with our partners for the following: Halozyme has trials in Pancreatic, Non-Small Cell Lung Cancer and other multiple tumor types in Phase 1, 2, and 3 development. These and other clinical studies may not begin on time, enroll a sufficient number of patients or be completed on schedule, if at all. Clinical trials for any of our product candidates could be delayed for a variety of reasons, including:

- delays in obtaining regulatory authorization to commence a clinical study;
- delays in reaching agreement with applicable regulatory authorities on a clinical study design;
- imposition of a clinical hold by the FDA or other health authorities, which may occur at any time including after any inspection of clinical trial operations or trial sites;
- suspension or termination of a clinical study by us, our partners, the FDA or foreign regulatory authorities due to adverse side effects of a drug on subjects in the trial;

- delays in recruiting suitable patients to participate in a trial;
- delays in having patients complete participation in a trial or return for post-treatment follow-up;
- clinical sites dropping out of a trial to the detriment of enrollment rates;
- delays in manufacturing and delivery of sufficient supply of clinical trial materials; and
- changes in regulatory authorities policies or guidance applicable to our drug candidates.

If the initiation or completion of any of the planned clinical studies for our drug candidates is delayed for any of the above or other reasons, the regulatory approval process would be delayed and the ability to commercialize and commence sales of these drug candidates could be materially harmed, which could have a material adverse effect on our business, financial condition and results of operations. Clinical study delays could also shorten any periods during which our products have patent protection and may allow our competitors to bring products to market before we do, which could impair our ability to successfully commercialize our product candidates and may harm our business and results of operations.

Drug development is a long and inherently uncertain process with a high risk of failure at every stage of development.

We have a number of proprietary drug candidates and partnered drug candidates in research and development ranging from the early discovery research phase through preclinical testing and clinical trials. Preclinical testing and clinical studies are long, expensive, difficult to design and implement and highly uncertain as to outcome. It will take us, or our collaborative partners, many years to conduct extensive preclinical tests and clinical trials to demonstrate the safety and efficacy in humans of our product candidates. The start or end of a clinical study is often delayed or halted due to changing regulatory requirements, manufacturing challenges, required clinical trial administrative actions, slower than anticipated patient enrollment, changing standards of care, availability or prevalence of use of a comparator drug or required prior therapy, clinical outcomes, or our and our partners' financial constraints.

Drug development is a highly uncertain scientific and medical endeavor, and failure can unexpectedly occur at any stage of preclinical and clinical development. Typically, there is a high rate of attrition for drug candidates in preclinical and clinical trials due to scientific feasibility, safety, efficacy, changing standards of medical care (including commercialization of a competing therapy in the same or similar indication for which our drug candidate is being studied) and other variables. The risk of failure increases for our drug candidates that are based on new technologies, such as the application of our advanced polymer conjugate technology to, NKTR-214, NKTR-181, ONZEALD™, NKTR-358, NKTR-262, NKTR-255, and other drug candidates currently in discovery research or preclinical development. The failure of one or more of our drug candidates could have a material adverse effect on our business, financial condition and results of operations.

The risk of clinical failure for any drug candidate remains high prior to regulatory approval.

A number of companies have suffered significant unforeseen failures in clinical studies due to factors such as inconclusive efficacy or safety, even after achieving preclinical proof-of-concept or positive results from earlier clinical studies that were satisfactory both to them and to reviewing regulatory authorities. Clinical study outcomes remain very unpredictable and it is possible that one or more of our clinical studies could fail at any time due to efficacy, safety or other important clinical findings or regulatory requirements. The results from preclinical testing or early clinical trials of a product candidate may not predict the results that will be obtained in later phase clinical trials of the product candidate. We, the FDA, an independent Institutional Review Board (IRB), an independent ethics committee, or other applicable regulatory authorities may suspend clinical trials of a product candidate at any time for various reasons, including a belief that subjects participating in such trials are being exposed to unacceptable health risks or adverse side effects. Similarly, an IRB or ethics committee may suspend a clinical trial at a particular trial site. If one or more of our drug candidates fail in clinical studies, it could have a material adverse effect on our business, financial condition and results of operations.

If we or our contract manufacturers are not able to manufacture drugs or drug substances in sufficient quantities that meet applicable quality standards, it could delay clinical studies, result in reduced sales or constitute a breach of our contractual obligations, any of which could significantly harm our business, financial condition and results of operations.

If we or our contract manufacturers are not able to manufacture and supply sufficient drug quantities meeting applicable quality standards required to support large clinical studies or commercial manufacturing in a timely manner, it could delay our or our collaboration partners' clinical studies or result in a breach of our contractual obligations, which could in turn reduce the potential commercial sales of our or our collaboration partners' products. As a result, we could incur substantial costs and damages and any product sales or royalty revenue that we would otherwise be entitled to receive could be reduced, delayed or eliminated. In some cases, we rely on contract manufacturing organizations to manufacture and supply drug product for our clinical studies and those of

our collaboration partners. Pharmaceutical manufacturing of drugs and devices involves significant risks and uncertainties related to the demonstration of adequate stability, sufficient purification of the drug substance and drug product, the identification and elimination of impurities, optimal formulations, process and analytical methods validations, device performance and challenges in controlling for all of these variables. We have faced and may in the future face significant difficulties, delays and unexpected expenses as we validate third party contract manufacturers required for drug and device supply to support our clinical studies and the clinical studies and products of our collaboration partners. Failure by us or our contract manufacturers to supply drug product or devices in sufficient quantities that meet all applicable quality requirements could result in supply shortages for our clinical studies or the clinical studies and commercial activities of our collaboration partners. Such failures could significantly and materially delay clinical trials and regulatory submissions or result in reduced sales, any of which could significantly harm our business prospects, results of operations and financial condition.

Building and validating large scale clinical or commercial-scale manufacturing facilities and processes, recruiting and training qualified personnel and obtaining necessary regulatory approvals is complex, expensive and time consuming. In the past, we have encountered challenges in scaling up manufacturing to meet the requirements of large scale clinical trials without making modifications to the drug formulation, which may cause significant delays in clinical development. Drug and device combination products are particularly complex, expensive and time-consuming to develop due to the number of variables involved in the final product design, including ease of patient and doctor use, maintenance of clinical efficacy, reliability and cost of manufacturing, regulatory approval requirements and standards and other important factors. There continues to be substantial and unpredictable risk and uncertainty related to manufacturing and supply until such time as the commercial supply chain is validated and proven.

We purchase some of the starting material for drugs and drug candidates from a single source or a limited number of suppliers, and the partial or complete loss of one of these suppliers could cause production delays, clinical trial delays, substantial loss of revenue and contract liability to third parties.

We often face very limited supply of a critical raw material that can only be obtained from a single, or a limited number of, suppliers, which could cause production delays, clinical trial delays, substantial lost revenue opportunities or contract liabilities to third parties. For example, there are only a limited number of qualified suppliers, and in some cases single source suppliers, for the raw materials included in our PEGylation and advanced polymer conjugate drug formulations. Any interruption in supply or failure to procure such raw materials on commercially feasible terms could harm our business by delaying our clinical trials, impeding commercialization of approved drugs or increasing our costs.

Our manufacturing operations and those of our contract manufacturers are subject to laws and other governmental regulatory requirements, which, if not met, would have a material adverse effect on our business, results of operations and financial condition.

We and our contract manufacturers are required in certain cases to maintain compliance with current good manufacturing practices (cGMP), including cGMP guidelines applicable to active pharmaceutical ingredients, and with laws and regulations governing manufacture and distribution of controlled substances, and are subject to inspections by the FDA, the Drug Enforcement Administration or comparable agencies in other jurisdictions administering such requirements. We anticipate periodic regulatory inspections of our drug manufacturing facilities and the manufacturing facilities of our contract manufacturers for compliance with applicable regulatory requirements. Any failure to follow and document our or our contract manufacturers' adherence to such cGMP and other laws and governmental regulations or satisfy other manufacturing and product release regulatory requirements may disrupt our ability to meet our manufacturing obligations to our customers, lead to significant delays in the availability of products for commercial use or clinical study, result in the termination or hold on a clinical study or delay or prevent filing or approval of marketing applications for our products. Failure to comply with applicable laws and regulations may also result in sanctions being imposed on us, including fines, injunctions, civil penalties, failure of regulatory authorities to grant marketing approval of our products, delays, suspension or withdrawal of approvals, license revocation, seizures, administrative detention, or recalls of products, operating restrictions and criminal prosecutions, any of which could harm our business. Regulatory inspections could result in costly manufacturing changes or facility or capital equipment upgrades to satisfy the FDA that our manufacturing and quality control procedures are in substantial compliance with cGMP. Manufacturing delays, for us or our contract manufacturers, pending resolution of regulatory deficiencies or suspensions could have a material adverse effect on our business, results of operations and financial condition.

If we or our partners do not obtain regulatory approval for our drug candidates on a timely basis, or at all, or if the terms of any approval impose significant restrictions or limitations on use, our business, results of operations and financial condition will be negatively affected.

We or our partners may not obtain regulatory approval for drug candidates on a timely basis, or at all, or the terms of any approval (which in some countries includes pricing approval) may impose significant restrictions or limitations on use. Drug

candidates must undergo rigorous animal and human testing and an extensive review process for safety and efficacy by the FDA and equivalent foreign regulatory authorities. The time required for obtaining regulatory decisions is uncertain and difficult to predict. The FDA and other U.S. and foreign regulatory authorities have substantial discretion, at any phase of development, to terminate clinical studies, require additional clinical development or other testing, delay or withhold registration and marketing approval and mandate product withdrawals, including recalls. For example, while data from certain pre-specified subgroups in our BEACON study for etirinotecan pegol (NKTR-102) in 2015 was positive, the study did not achieve statistical significance for its primary endpoint and the FDA and European Medicines Agency rarely approve drugs on the basis of studies that do not achieve statistical significance on the primary endpoint. Further, while the results from the Phase 3 study of NKTR-181 were positive, NKTR-181 has Fast Track designation and we intend to file an NDA in the second quarter of 2018, the regulatory pathway for NKTR-181 remains subject to substantial uncertainty including the amount of data required to support an approval of NKTR-181. In particular, regulations concerning and controlling the access to opioid-based pharmaceuticals are strict and there is no guarantee which scheduling category will apply to NKTR-181 if regulatory approval is achieved. Further, regulatory authorities have the discretion to analyze data using their own methodologies that may differ from those used by us or our partners, which could lead such authorities to arrive at different conclusions regarding the safety or efficacy of a drug candidate. In addition, undesirable side effects caused by our drug candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restricted label or the delay or denial of regulatory approval by regulatory authorities. For example, AstraZeneca will be conducting a post-marketing, observational epidemiological study comparing MOVANTIK® to other treatments of OIC in patients with chronic, non-cancer pain and the results of this study could at some point in the future negatively impact the labeling, regulatory status, and commercial potential of MOVANTIK®.

Even if we or our partners receive regulatory approval of a product, the approval may limit the indicated uses for which the drug may be marketed. Our partnered drugs that have obtained regulatory approval, and the manufacturing processes for these products, are subject to continued review and periodic inspections by the FDA and other regulatory authorities. Discovery from such review and inspection of previously unknown problems may result in restrictions on marketed products or on us, including withdrawal or recall of such products from the market, suspension of related manufacturing operations or a more restricted label. The failure to obtain timely regulatory approval of product candidates, any product marketing limitations or a product withdrawal would negatively impact our business, results of operations and financial condition.

Our results of operations and financial condition depend significantly on the ability of our collaboration partners to successfully develop and market drugs and they may fail to do so.

Under our collaboration agreements with various pharmaceutical or biotechnology companies (other than the BMS Collaboration Agreement), our collaboration partner is generally solely responsible for:

- designing and conducting large scale clinical studies;
- preparing and filing documents necessary to obtain government approvals to sell a given drug candidate; and/or
- marketing and selling the drugs when and if they are approved.

Our reliance on collaboration partners poses a number of significant risks to our business, including risks that:

- we have very little control over the timing and level of resources that our collaboration partners dedicate to commercial marketing efforts such as the amount of investment in sales and marketing personnel, general marketing campaigns, direct-to-consumer advertising, product sampling, pricing agreements and rebate strategies with government and private payers, manufacturing and supply of drug product, and other marketing and selling activities that need to be undertaken and well executed for a drug to have the potential to achieve commercial success;
- collaboration partners with commercial rights may choose to devote fewer resources to the marketing of our partnered drugs than they devote to their own drugs or other drugs that they have in-licensed;
- we have very little control over the timing and amount of resources our partners devote to development programs in one or more major markets;
- disagreements with partners could lead to delays in, or termination of, the research, development or commercialization of product candidates or to litigation or arbitration proceedings;
- disputes may arise or escalate in the future with respect to the ownership of rights to technology or intellectual property developed with partners;
- we do not have the ability to unilaterally terminate agreements (or partners may have extension or renewal rights) that we believe are not on commercially reasonable terms or consistent with our current business strategy;

- partners may be unable to pay us as expected; and
- partners may terminate their agreements with us unilaterally for any or no reason, in some cases with the payment of a termination fee penalty and in other cases with no termination fee penalty.

Given these risks, the success of our current and future collaboration partnerships is highly unpredictable and can have a substantial negative or positive impact on our business. If the approved drugs fail to achieve commercial success or the drugs in development fail to have positive late stage clinical outcomes sufficient to support regulatory approval in major markets, it could significantly impair our access to capital necessary to fund our research and development efforts for our proprietary drug candidates. If we are unable to obtain sufficient capital resources to advance our drug candidate pipeline, it would negatively impact the value of our business, results of operations and financial condition.

We have substantial future capital requirements and there is a risk we may not have access to sufficient capital to meet our current business plan. If we do not receive substantial milestone or royalty payments from our existing collaboration agreements, execute new high value collaborations or other arrangements, or are unable to raise additional capital in one or more financing transactions, we would be unable to continue our current level of investment in research and development.

As of March 31, 2018, we had cash and investments in marketable securities valued at approximately $333.8 million and had debt of $250.0 million in principal of senior secured notes. In addition, as described above and in Note 6 to our Condensed Consolidated Financial Statements, in February 2018, we entered into the BMS Collaboration Agreement under which BMS paid us a non-refundable upfront cash payment of $1.0 billion on April 3, 2018. We also entered into the Purchase Agreement under which BMS purchased $850.0 million of shares of our common stock on April 3, 2018. While we believe that our cash position will be sufficient to meet our liquidity requirements through at least the next 12 months, our future capital requirements will depend upon numerous unpredictable factors, including:

- the cost, timing and outcomes of clinical studies and regulatory reviews of our proprietary drug candidates that we have licensed to our collaboration partners —important examples include NKTR-214 in collaboration with BMS and NKTR-358 licensed to Lilly;
- the commercial launch and sales levels of products marketed by our collaboration partners for which we are entitled to royalties and sales milestones—importantly, the level of success in marketing and selling MOVANTIK® by AstraZeneca in the U.S. and ADYNOVATE® by Baxalta globally, as well as MOVENTIG® (the naloxegol brand name in the EU) by Kirin in the EU;
- if and when we receive potential milestone payments and royalties from our existing collaborations if the drug candidates subject to those collaborations achieve clinical, regulatory or commercial success;
- the progress, timing, cost and results of our clinical development programs;
- the success, progress, timing and costs of our efforts to implement new collaborations, licenses and other transactions that increase our current net cash, such as the sale of additional royalty interests held by us, term loan or other debt arrangements, and the issuance of securities;
- the number of patients, enrollment criteria, primary and secondary endpoints, and the number of clinical studies required by the regulatory authorities in order to consider for approval our drug candidates and those of our collaboration partners;
- our general and administrative expenses, capital expenditures and other uses of cash; and
- disputes concerning patents, proprietary rights, or license and collaboration agreements that negatively impact our receipt of milestone payments or royalties or require us to make significant payments arising from licenses, settlements, adverse judgments or ongoing royalties.

A significant multi-year capital commitment is required to advance our drug candidates through the various stages of research and development in order to generate sufficient data to enable high value collaboration partnerships with significant upfront payments or to successfully achieve regulatory approval. In the event we do not enter into any new collaboration partnerships with significant upfront payments and we choose to continue our later stage research and development programs, we may need to pursue financing alternatives, including dilutive equity-based financings, such as an offering of convertible debt or common stock, which would dilute the percentage ownership of our current common stockholders and could significantly lower the market value of our common stock. If sufficient capital is not available to us or is not available on commercially reasonable terms, it could require us to delay or reduce one or more of our research and development programs. If we are unable to sufficiently advance our research and development programs, it could substantially impair the value of such programs and result in a material adverse effect on our business, financial condition and results of operations.

The commercial potential of a drug candidate in development is difficult to predict. If the market size for a new drug is significantly smaller than we anticipate, it could significantly and negatively impact our revenue, results of operations and financial condition.

It is very difficult to estimate the commercial potential of product candidates due to important factors such as safety and efficacy compared to other available treatments, including potential generic drug alternatives with similar efficacy profiles, changing standards of care, third party payer reimbursement standards, patient and physician preferences, drug scheduling status, the availability of competitive alternatives that may emerge either during the long drug development process or after commercial introduction, and the availability of generic versions of our product candidates following approval by regulatory authorities based on the expiration of regulatory exclusivity or our inability to prevent generic versions from coming to market by asserting our patents. In particular, regulations concerning and controlling the access to opioid-based pharmaceuticals are strict and there is no guarantee which scheduling category will apply to NKTR-181 if regulatory approval is achieved. If due to one or more of these risks the market potential for a drug candidate is lower than we anticipated, it could significantly and negatively impact the commercial terms of any collaboration partnership potential for such drug candidate or, if we have already entered into a collaboration for such drug candidate, the revenue potential from royalty and milestone payments could be significantly diminished and this would negatively impact our business, financial condition and results of operations. We also depend on our relationships with other companies for sales and marketing performance and the commercialization of product candidates. Poor performance by these companies, or disputes with these companies, could negatively impact our revenue and financial condition.

If government and private insurance programs do not provide payment or reimbursement for our partnered products or proprietary products, those products will not be widely accepted, which would have a negative impact on our business, results of operations and financial condition.

In both domestic and foreign markets, sales of our partnered and proprietary products that have received regulatory approval will depend in part on market acceptance among physicians and patients, pricing approvals by government authorities and the availability of coverage and payment or reimbursement from third-party payers, such as government programs, including Medicare and Medicaid, managed care providers, private health insurers and other organizations. However, eligibility for coverage does not necessarily signify that a drug candidate will be adequately reimbursed in all cases or at a rate that covers costs related to research, development, manufacture, sale, and distribution. Third-party payers are increasingly challenging the price and cost effectiveness of medical products and services. Therefore, significant uncertainty exists as to the coverage and pricing approvals for, and the payment or reimbursement status of, newly approved healthcare products.

Moreover, legislation and regulations affecting the pricing of pharmaceuticals may change before regulatory agencies approve our proposed products for marketing and could further limit coverage or pricing approvals for, and reimbursement of, our products from government authorities and third-party payers. For example, Congress passed the Affordable Care Act in 2010 which enacted a number of reforms to expand access to health insurance while also reducing or constraining the growth of healthcare spending, enhancing remedies against fraud and abuse, adding new transparency requirements for healthcare industries, and imposing new taxes on fees on healthcare industry participants, among other policy reforms. Federal agencies, Congress and state legislatures have continued to show interest in implementing cost containment programs to limit the growth of health care costs, including price controls, restrictions on reimbursement and other fundamental changes to the healthcare delivery system. In addition, in recent years, Congress has enacted various laws seeking to reduce the federal debt level and contain healthcare expenditures, and the Medicare and other healthcare programs are frequently identified as potential targets for spending cuts. New government legislation or regulations related to pricing or other fundamental changes to the healthcare delivery system as well as a government or third-party payer decision not to approve pricing for, or provide adequate coverage or reimbursement of, our products hold the potential to severely limit market opportunities of such products.

If we are unable to establish and maintain collaboration partnerships on attractive commercial terms, our business, results of operations and financial condition could suffer.

We intend to continue to seek partnerships with pharmaceutical and biotechnology partners to fund a portion of our research and development capital requirements. The timing of new collaboration partnerships is difficult to predict due to availability of clinical data, the outcomes from our clinical studies, the number of potential partners that need to complete due diligence and approval processes, the definitive agreement negotiation process and numerous other unpredictable factors that can delay, impede or prevent significant transactions. If we are unable to find suitable partners or negotiate collaboration arrangements with favorable commercial terms with respect to our existing and future drug candidates or the licensing of our intellectual property, or if any arrangements we negotiate, or have negotiated, are terminated, it could have a material adverse effect on our business, financial condition and results of operations.

Our revenue is exclusively derived from our collaboration agreements, which can result in significant fluctuation in our revenue from period to period, and our past revenue is therefore not necessarily indicative of our future revenue.

Our revenue is exclusively derived from our collaboration agreements, from which we receive upfront fees, contract research payments, milestone and other contingent payments based on clinical progress, regulatory progress or net sales achievements, royalties and manufacturing revenue. Significant variations in the timing of receipt of cash payments and our recognition of revenue can result from payments based on the execution of new collaboration agreements, the timing of clinical outcomes, regulatory approval, commercial launch or the achievement of certain annual sales thresholds. The amount of our revenue derived from collaboration agreements in any given period will depend on a number of unpredictable factors, including our ability to find and maintain suitable collaboration partners, the timing of the negotiation and conclusion of collaboration agreements with such partners, whether and when we or our collaboration partners achieve clinical, regulatory and sales milestones, the timing of regulatory approvals in one or more major markets, reimbursement levels by private and government payers, and the market introduction of new drugs or generic versions of the approved drug, as well as other factors. Our past revenue generated from collaboration agreements is not necessarily indicative of our future revenue. If any of our existing or future collaboration partners fails to develop, obtain regulatory approval for, manufacture or ultimately commercialize any product candidate under our collaboration agreement, our business, financial condition, and results of operations could be materially and adversely affected.

We are a party to numerous collaboration agreements and other significant agreements which contain complex commercial terms that could result in disputes, litigation or indemnification liability that could adversely affect our business, results of operations and financial condition.

We currently derive, and expect to derive in the foreseeable future, all of our revenue from collaboration agreements with biotechnology and pharmaceutical companies. These collaboration agreements contain complex commercial terms, including:

- clinical development and commercialization obligations that are based on certain commercial reasonableness performance standards that can often be difficult to enforce if disputes arise as to adequacy of our partner's performance;
- research and development performance and reimbursement obligations for our personnel and other resources allocated to partnered drug candidate development programs;
- clinical and commercial manufacturing agreements, some of which are priced on an actual cost basis for products supplied by us to our partners with complicated cost allocation formulas and methodologies;
- intellectual property ownership allocation between us and our partners for improvements and new inventions developed during the course of the collaboration;
- royalties on drug sales based on a number of complex variables, including net sales calculations, geography, scope of patent claim coverage, patent life, generic competitors, bundled pricing and other factors; and
- indemnity obligations for intellectual property infringement, product liability and certain other claims.

We are a party to numerous significant collaboration agreements and other strategic transaction agreements (e.g., financings and asset divestitures) that contain complex representations and warranties, covenants and indemnification obligations. If we are found to have materially breached such agreements, it could subject us to substantial liabilities and harm our financial condition.

From time to time, we are involved in litigation matters involving the interpretation and application of complex terms and conditions of our agreements. For example, in February 2015, we filed a claim against Allergan and MAP seeking monetary damages related to a dispute over the economic sharing provisions of our collaboration agreement with MAP. On December 12, 2017, Nektar, MAP and Allergan entered into a Settlement Agreement and Release, for which MAP paid us $15.0 million in December 2017. One or more disputes may arise or escalate in the future regarding our collaboration agreements, transaction documents, or third-party license agreements that may ultimately result in costly litigation and unfavorable interpretation of contract terms, which would have a material adverse effect on our business, financial condition and results of operations.

If we, or our partners through our collaborations, are not successful in recruiting sales and marketing personnel or in building a sales and marketing infrastructure, we will have difficulty commercializing our products, which would adversely affect our business, results of operations and financial condition.

To the extent we rely on other pharmaceutical or biotechnology companies with established sales, marketing and distribution systems to market our products, we will need to establish and maintain partnership arrangements, and we may not be able to enter into these arrangements on acceptable terms or at all. To the extent that we enter into co-promotion or other arrangements, any revenue we receive will depend upon the efforts of third parties, which may not be successful and over which we have little or no control—important examples of this risk include MOVANTIK® partnered with AstraZeneca and ADYNOVATE® (previously referred to as

BAX 855) partnered with Baxalta. In the event that we market our products without a partner, we would be required to build a sales and marketing organization and infrastructure, which would require a significant investment, and we may not be successful in building this organization and infrastructure in a timely or efficient manner.

If we are unable either to create sales, marketing and distribution capabilities or to enter into agreements with third parties to perform these functions, we will be unable to commercialize our product candidates successfully.

We currently have no sales, marketing or distribution capabilities. To commercialize any of our drugs that receive regulatory approval for commercialization, we must either develop internal sales, marketing and distribution capabilities, which would be expensive and time consuming, or enter into collaboration arrangements with third parties to perform these services. If we decide to market our products directly, we must commit significant financial and managerial resources to develop a marketing and sales force with technical expertise and with supporting distribution, administration and compliance capabilities. Factors that may inhibit our efforts to commercialize our products directly or indirectly with our partners include:

- our inability to recruit and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to or persuade adequate numbers of physicians to use or prescribe our products;
- the lack of complementary products or multiple product pricing arrangements may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating and sustaining an independent sales and marketing organization.

We depend on third parties to conduct the clinical trials for our proprietary product candidates and any failure of those parties to fulfill their obligations could harm our development and commercialization plans.

We depend on independent clinical investigators, contract research organizations and other third-party service providers to conduct clinical trials for our proprietary product candidates. We rely heavily on these parties for the successful execution of our clinical trials. Though we are ultimately responsible for the results of their activities, many aspects of their activities are beyond our control. For example, we are responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trials, but the independent clinical investigators may prioritize other projects over ours or communicate issues regarding our products to us in an untimely manner. Third parties may not complete activities on schedule or may not conduct our clinical trials in accordance with regulatory requirements or our stated protocols. The early termination of any of our clinical trial arrangements, the failure of third parties to comply with the regulations and requirements governing clinical trials or the failure of third parties to properly conduct our clinical trials could hinder or delay the development, approval and commercialization of our product candidates and would adversely affect our business, results of operations and financial condition.

While we have conducted numerous experiments using laboratory and home-based chemistry techniques that have not been able to convert NKTR-181 into a rapid-acting and more abusable opioid, there is a risk that a technique could be discovered in the future to convert NKTR-181 into a rapid-acting and more abusable opioid, which would significantly diminish the value of this drug candidate.

An important objective of our NKTR-181 drug development program is to create a unique opioid molecule that does not rapidly enter a patient's central nervous system and therefore has the potential to be less susceptible to abuse than alternative opioid therapies. To date, we have conducted numerous experiments using laboratory and home-based chemistry techniques that have been unable to convert NKTR-181 into a rapidly-acting, more abusable form of opioid. In the future, an alternative chemistry technique, process or method of administration, or combination thereof, may be discovered to enable the conversion of NKTR-181 into a more abusable opioid, which could significantly and negatively impact the commercial potential or diminish the value of NKTR-181.

We expect to continue to incur substantial losses and negative cash flow from operations and may not achieve or sustain profitability in the future.

For the three months ended March 31, 2018, we reported a net loss of $95.8 million. If and when we achieve profitability depends upon a number of factors, including the timing and recognition of milestone and other contingent payments and royalties received, the timing of revenue under our collaboration agreements, the amount of investments we make in our proprietary product candidates and the regulatory approval and market success of our product candidates. We may not be able to achieve and sustain profitability.

Other factors that will affect whether we achieve and sustain profitability include our ability, alone or together with our partners, to:

- develop drugs utilizing our technologies, either independently or in collaboration with other pharmaceutical or biotechnology companies;
- effectively estimate and manage clinical development costs, particularly the cost of the clinical studies for NKTR-214, NKTR-358, NKTR-262, and NKTR-255;
- receive necessary regulatory and marketing approvals;
- maintain or expand manufacturing at necessary levels;
- achieve market acceptance of our partnered products;
- receive royalties on products that have been approved, marketed or submitted for marketing approval with regulatory authorities; and
- maintain sufficient funds to finance our activities.

Significant competition for our polymer conjugate chemistry technology platforms and our partnered and proprietary products and product candidates could make our technologies, products or product candidates obsolete or uncompetitive, which would negatively impact our business, results of operations and financial condition.

Our advanced polymer conjugate chemistry platforms and our partnered and proprietary products and product candidates compete with various pharmaceutical and biotechnology companies. Competitors of our polymer conjugate chemistry technologies include Biogen Inc., Savient Pharmaceuticals, Inc., Dr. Reddy's Laboratories Ltd., SunBio Corporation, Mountain View Pharmaceuticals, Inc., Novo Nordisk A/S (formerly assets held by Neose Technologies, Inc.), and NOF Corporation. Several other chemical, biotechnology and pharmaceutical companies may also be developing polymer conjugation technologies or technologies that have similar impact on target drug molecules. Some of these companies license or provide the technology to other companies, while others are developing the technology for internal use.

There are many competitors for our proprietary product candidates currently in development. For MOVANTIK®, there are currently several alternative therapies used to address opioid-induced constipation (OIC) and opioid-induced bowel dysfunction (OBD), including Symproic® (naldemedine) from Shionogi and Purdue Pharma L.P., RELISTOR® Subcutaneous Injection (methylnaltrexone bromide), oral therapy Amitizia (lubiprostone), and oral and rectal over-the-counter laxatives and stool softeners such as docusate sodium, senna and milk of magnesia. In addition, there are a number of companies developing potential products which are in various stages of clinical development and are being evaluated for the treatment of OIC and OBD in different patient populations, including Merck & Co., Inc., Progenics Pharmaceuticals, Inc. in collaboration with Salix Pharmaceuticals, Ltd., Purdue Pharma L.P. in collaboration with Shionogi & Co., Ltd., Mundipharma Int. Limited, Sucampo Pharmaceuticals, Inc., Develco Pharma GmbH, Alkermes plc, GlaxoSmithKline plc, Theravance, Inc., and Takeda Pharmaceutical Company Limited. For ADYNOVATE®, on June 6, 2014, the FDA approved Biogen Idec's Fc fusion protein ELOCTATE™ for the control and prevention of bleeding episodes, perioperative (surgical) management and routine prophylaxis in adults and children with Hemophilia A. Longer acting Factor VIII proteins based on polymer conjugation technology approaches are being pursued by Bayer Healthcare LLC (which has filed for regulatory approval in the U.S.) and Novo Nordisk (which has an ongoing Phase 3 clinical development program). In addition, technologies other than those based on Fc fusion and polymer conjugation approaches (such as gene therapy) are being pursued to treat patients with Hemophilia A. For NKTR-181, there are numerous companies developing pain therapies designed to have less abuse potential primarily through formulation technologies and techniques applied to existing pain therapies. Potential competitors include Acura Pharmaceuticals, Inc., Cara Therapeutics, Inc., Collegium Pharmaceutical, Inc., Egalet Ltd, Elite Pharmaceuticals, Inc., Endo Health Solutions Inc., KemPharm, Inc., Pfizer, Inc., Purdue Pharma L.P., and Teva Pharmaceutical Industries Ltd. For ONZEALD™ there are a number of chemotherapies and cancer therapies approved today and in various stages of clinical development for breast cancer, including, but not limited to: Abraxane® (paclitaxel protein-bound particles for injectable suspension (albumin bound)), Xeloda® (capecitabine), Afinitor® (everolimus), Doxil® (doxorubicin HCl), Ellence® (epirubicin), Gemzar® (gemcitabine), Halaven® (eribulin), Herceptin® (trastuzumab), Hycamtin® (topotecan), Ibrance® (palbociclib), Ixempra® (ixabepilone), Navelbine® (vinolrebine), Iniparib, Paraplatin® (carboplatin), Taxol® (paclitaxel) and Taxotere® (docetaxel). Major pharmaceutical or biotechnology companies with approved drugs or drugs in development for breast cancers include, but are not limited to, Bristol-Myers Squibb Company, Eli Lilly & Co., Roche, GlaxoSmithKline plc, Johnson and Johnson, Pfizer Inc., Eisai Inc., and Sanofi Aventis S.A. For NKTR-214, there are numerous companies engaged in developing immunotherapies to be used alone, or in combination, to treat a wide range of oncology indications targeting both solid and liquid tumors. In particular, we expect to compete with therapies with tumor infiltrating lymphocytes, or TILS, chimeric antigen receptor-expressing T cells, or CAR-T, cytokine-based therapies, and checkpoint inhibitors. Potential competitors in the TIL and CAR-T space include Kite Pharma/NCI, Adaptimmune LLC, Celgene Corporation, Juno Therapeutics, and Novartis, Alkermes, Altor, and Armo in the cytokine-based

therapies space, and Tesaro, Macrogenics, Merck, BMS, and Roche in the checkpoint inhibitor space. For NKTR-358, there are a number of competitors in various stages of clinical development that are working on programs which are designed to correct the underlying immune system imbalance in the body due to autoimmune disease. In particular, we expect to compete with therapies that could be cytokine-based therapies (Symbiotix, LLC and Tizona Therapeutics), regulatory T cell therapies (Targazyme, Inc., Juno Therapeutics and Tract Therapeutics, Inc.), or IL-2-based and toleragen-based therapies (Celgene Corporation, Amgen Inc., Tolera Therapeutics, Inc., and Caladrius BioSciences, Inc.).

There can be no assurance that we or our partners will successfully develop, obtain regulatory approvals for and commercialize next-generation or new products that will successfully compete with those of our competitors. Many of our competitors have greater financial, research and development, marketing and sales, manufacturing and managerial capabilities. We face competition from these companies not just in product development but also in areas such as recruiting employees, acquiring technologies that might enhance our ability to commercialize products, establishing relationships with certain research and academic institutions, enrolling patients in clinical trials and seeking program partnerships and collaborations with larger pharmaceutical companies. As a result, our competitors may succeed in developing competing technologies, obtaining regulatory approval or gaining market acceptance for products before we do. These developments could make our products or technologies uncompetitive or obsolete.

Our future depends on the proper management of our current and future business operations and their associated expenses.

Our business strategy requires us to manage our business to provide for the continued development and potential commercialization of our proprietary and partnered drug candidates. Our strategy also calls for us to undertake increased research and development activities and to manage an increasing number of relationships with partners and other third parties, while simultaneously managing the capital necessary to support this strategy. If we are unable to manage effectively our current operations and any growth we may experience, our business, financial condition and results of operations may be adversely affected. If we are unable to effectively manage our expenses, we may find it necessary to reduce our personnel-related costs through reductions in our workforce, which could harm our operations, employee morale and impair our ability to retain and recruit talent. Furthermore, if adequate funds are not available, we may be required to obtain funds through arrangements with partners or other sources that may require us to relinquish rights to certain of our technologies, products or future economic rights that we would not otherwise relinquish or require us to enter into other financing arrangements on unfavorable terms.

Because competition for highly qualified technical personnel is intense, we may not be able to attract and retain the personnel we need to support our operations and growth.

We must attract and retain experts in the areas of clinical testing, manufacturing, research, regulatory and finance, and may need to attract and retain marketing and distribution experts and develop additional expertise in our existing personnel. We face intense competition from other biopharmaceutical companies, research and academic institutions and other organizations for qualified personnel. Many of the organizations with which we compete for qualified personnel have greater resources than we have. Because competition for skilled personnel in our industry is intense, companies such as ours sometimes experience high attrition rates with regard to their skilled employees. Further, in making employment decisions, job candidates often consider the value of the stock options they are to receive in connection with their employment. Our equity incentive plan and employee benefit plans may not be effective in motivating or retaining our employees or attracting new employees, and significant volatility in the price of our stock may adversely affect our ability to attract or retain qualified personnel. If we fail to attract new personnel or to retain and motivate our current personnel, our business and future growth prospects could be severely harmed.

We are dependent on our management team and key technical personnel, and the loss of any key manager or employee may impair our ability to develop our products effectively and may harm our business, operating results and financial condition.

Our success largely depends on the continued services of our executive officers and other key personnel. The loss of one or more members of our management team or other key employees could seriously harm our business, operating results and financial condition. The relationships that our key managers have cultivated within our industry make us particularly dependent upon their continued employment with us. We are also dependent on the continued services of our technical personnel because of the highly technical nature of our products and the regulatory approval process. Because our executive officers and key employees are not obligated to provide us with continued services, they could terminate their employment with us at any time without penalty. We do not have any post-employment noncompetition agreements with any of our employees and do not maintain key person life insurance policies on any of our executive officers or key employees.

The price of our common stock is expected to remain volatile.

Our stock price is volatile. During the three months ended March 31, 2018, based on closing prices on The NASDAQ Global Select Market, the closing price of our common stock ranged from $57.40 to $108.44 per share. We expect our stock price to remain volatile. A variety of factors may have a significant effect on the market price of our common stock, including the risks described in this section titled "Risk Factors" and the following:

- announcements of data from, or material developments in, our clinical studies and those of our collaboration partners, including data regarding efficacy and safety, delays in clinical development, regulatory approval or commercial launch – in particular, data from clinical studies of NKTR-214 has had a significant impact on our stock price;
- announcements by collaboration partners as to their plans or expectations related to drug candidates and approved drugs in which we have a substantial economic interest;
- announcements regarding terminations or disputes under our collaboration agreements;
- fluctuations in our results of operations;
- developments in patent or other proprietary rights, including intellectual property litigation or entering into intellectual property license agreements and the costs associated with those arrangements;
- announcements of technological innovations or new therapeutic products that may compete with our approved products or products under development;
- announcements of changes in governmental regulation affecting us or our competitors;
- litigation brought against us or third parties to whom we have indemnification obligations;
- public concern as to the safety of drug formulations developed by us or others;
- our financing needs and activities; and
- general market conditions.

At times, our stock price has been volatile even in the absence of significant news or developments. The stock prices of biotechnology companies and securities markets generally have been subject to dramatic price swings in recent years.

We have implemented certain anti-takeover measures, which make it more difficult to acquire us, even though such acquisitions may be beneficial to our stockholders.

Provisions of our certificate of incorporation and bylaws, as well as provisions of Delaware law, could make it more difficult for a third party to acquire us, even though such acquisitions may be beneficial to our stockholders. These anti-takeover provisions include:

- establishment of a classified board of directors such that not all members of the board may be elected at one time;
- lack of a provision for cumulative voting in the election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates;
- the ability of our board to authorize the issuance of "blank check" preferred stock to increase the number of outstanding shares and thwart a takeover attempt;
- prohibition on stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of stockholders;
- establishment of advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and
- limitations on who may call a special meeting of stockholders.

Further, provisions of Delaware law relating to business combinations with interested stockholders may discourage, delay or prevent a third party from acquiring us. These provisions may also discourage, delay or prevent a third party from acquiring a large portion of our securities or initiating a tender offer or proxy contest, even if our stockholders might receive a premium for their shares in the acquisition over the then-current market prices. We also have a change of control severance benefit plan, which provides for certain cash severance, stock award acceleration and other benefits in the event our employees are terminated (or, in some cases, resign for specified reasons) following an acquisition. This severance plan could discourage a third party from acquiring us.

The indenture governing our 7.75% senior secured notes imposes significant operating and financial restrictions on us and our subsidiaries that may prevent us from pursuing certain business opportunities and restrict our ability to operate our business.

On October 5, 2015, we issued $250.0 million in aggregate principal amount of 7.75% senior secured notes due October 2020. The indenture governing the senior secured notes contains covenants that restrict our and our subsidiaries' ability to take various actions, including, among other things:

- incur or guarantee additional indebtedness or issue disqualified capital stock or cause certain of our subsidiaries to issue preferred stock;
- pay dividends or distributions, redeem equity interests or subordinated indebtedness or make certain types of investments;
- create or incur liens;
- transfer, sell, lease or otherwise dispose of assets and issue or sell equity interests in certain of our subsidiaries;
- incur restrictions on certain of our subsidiaries' ability to pay dividends or other distributions to the Company or to make intercompany loans, advances or asset transfers;
- enter into transactions with affiliates;
- engage in any business other than businesses which are the same, similar, ancillary or reasonably related to our business as of the date of the indenture; and
- consummate a merger, consolidation, reorganization or business combination, sell, lease, convey or otherwise dispose of all or substantially all of our assets or other change of control transaction.

This indenture also requires us to maintain a minimum cash and investments in marketable securities balance of $60.0 million. We have certain reporting obligations under the indenture regarding cash position and royalty revenue. The indenture specifies a number of events of default, some of which are subject to applicable grace or cure periods, including, among other things, non-payment defaults, covenant defaults, cross-defaults to other material indebtedness, bankruptcy and insolvency defaults, non-payment of material judgments, loss of any material business license, criminal indictment of the Company, and certain civil forfeiture proceedings involving material assets of the Company. Our ability to comply with these covenants will likely be affected by many factors, including events beyond our control, and we may not satisfy those requirements. Our failure to comply with our obligations could result in an event of default under our other indebtedness and the acceleration of our other indebtedness, in whole or in part, could result in an event of default under the indenture governing the senior secured notes.

The restrictions contained in the indenture governing the senior secured notes could also limit our ability to plan for or react to market conditions, meet capital needs or otherwise restrict our activities or business plans and adversely affect our ability to finance our operations, enter into acquisitions or to engage in other business activities that would be in our interest.

Preliminary and interim data from our clinical studies that we announce or publish from time to time are subject to audit and verification procedures that could result in material changes in the final data and may change as more patient data become available.

From time to time, we publish preliminary or interim data from our clinical studies. Preliminary data remain subject to audit confirmation and verification procedures that may result in the final data being materially different from the preliminary data we previously published. Interim data are also subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. As a result, preliminary and interim data should be viewed with caution until the final data are available. Material adverse changes in the final data could significantly harm our business prospects.

We may not be able to obtain intellectual property licenses related to the development of our drug candidates on a commercially reasonable basis, if at all.

Numerous pending and issued U.S. and foreign patent rights and other proprietary rights owned by third parties relate to pharmaceutical compositions, methods of preparation and manufacturing, and methods of use and administration. We cannot predict with any certainty which, if any, patent references will be considered relevant to our or our collaboration partners' technology or drug candidates by authorities in the various jurisdictions where such rights exist, nor can we predict with certainty which, if any, of these rights will or may be asserted against us by third parties. In certain cases, we have existing licenses or cross-licenses with third parties; however, the scope and adequacy of these licenses is very uncertain and can change substantially during long development and commercialization cycles for biotechnology and pharmaceutical products. There can be no assurance that we can obtain a license to any technology that we determine we need on reasonable terms, if at all, or that we could develop or otherwise obtain alternate technology. If we are required to enter into a license with a third party, our potential economic benefit for the products subject to the

license will be diminished. If a license is not available on commercially reasonable terms or at all, we may be prevented from developing and commercializing the drug, which could significantly harm our business, results of operations, and financial condition.

If any of our pending patent applications do not issue, or are deemed invalid following issuance, we may lose valuable intellectual property protection.

The patent positions of pharmaceutical and biotechnology companies, such as ours, are uncertain and involve complex legal and factual issues. We own more than 250 U.S. and 800 foreign patents and have a number of pending patent applications that cover various aspects of our technologies. There can be no assurance that patents that have issued will be held valid and enforceable in a court of law. Even for patents that are held valid and enforceable, the legal process associated with obtaining such a judgment is time consuming and costly. Additionally, issued patents can be subject to opposition or other proceedings that can result in the revocation of the patent or maintenance of the patent in amended form (and potentially in a form that renders the patent without commercially relevant and/or broad coverage). Further, our competitors may be able to circumvent and otherwise design around our patents. Even if a patent is issued and enforceable, because development and commercialization of pharmaceutical products can be subject to substantial delays, patents may expire early and provide only a short period of protection, if any, following the commercialization of products encompassed by our patents. We may have to participate in interference proceedings or inter partes review before the U.S. Patent and Trademark Office, which could result in a loss of the patent and/or substantial cost to us.

We have filed patent applications, and plan to file additional patent applications, covering various aspects of our PEGylation and advanced polymer conjugate technologies and our proprietary product candidates. There can be no assurance that the patent applications for which we apply would actually issue as patents, or do so with commercially relevant and/or broad coverage. The coverage claimed in a patent application can be significantly reduced before the patent is issued. The scope of our claim coverage can be critical to our ability to enter into licensing transactions with third parties and our right to receive royalties from our collaboration partnerships. Since publication of discoveries in scientific or patent literature often lags behind the date of such discoveries, we cannot be certain that we were the first inventor of inventions covered by our patents or patent applications. In addition, there is no guarantee that we will be the first to file a patent application directed to an invention.

An adverse outcome in any judicial proceeding involving intellectual property, including patents, could subject us to significant liabilities to third parties, require disputed rights to be licensed from or to third parties or require us to cease using the technology in dispute. In those instances where we seek an intellectual property license from another, we may not be able to obtain the license on a commercially reasonable basis, if at all, thereby raising concerns on our ability to freely commercialize our technologies or products.

We rely on trade secret protection and other unpatented proprietary rights for important proprietary technologies, and any loss of such rights could harm our business, results of operations and financial condition.

We rely on trade secret protection for our confidential and proprietary information. No assurance can be given that others will not independently develop substantially equivalent confidential and proprietary information or otherwise gain access to our trade secrets or disclose such technology, or that we can meaningfully protect our trade secrets. In addition, unpatented proprietary rights, including trade secrets and know-how, can be difficult to protect and may lose their value if they are independently developed by a third party or if their secrecy is lost. Any loss of trade secret protection or other unpatented proprietary rights could harm our business, results of operations and financial condition.

If product liability lawsuits are brought against us, we may incur substantial liabilities.

The manufacture, clinical testing, marketing and sale of medical products involve inherent product liability risks. If product liability costs exceed our product liability insurance coverage, we may incur substantial liabilities that could have a severe negative impact on our financial position. Whether or not we are ultimately successful in any product liability litigation, such litigation would consume substantial amounts of our financial and managerial resources and might result in adverse publicity, all of which would impair our business. Additionally, we may not be able to maintain our clinical trial insurance or product liability insurance at an acceptable cost, if at all, and this insurance may not provide adequate coverage against potential claims or losses.

If we or current or future collaborators or service providers fail to comply with healthcare laws and regulations, we or they could be subject to enforcement actions and civil or criminal penalties.

Although we do not currently have any products on the market, once we begin commercializing our drug candidates, we will be subject to additional healthcare statutory and regulatory requirements and enforcement by the federal and state governments of the jurisdictions in which we conduct our business. Healthcare providers, physicians and third-party payors play a primary role in the recommendation and prescription of any drug candidates for which we obtain marketing approval. Our future arrangements with third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may

constrain the business or financial arrangements and relationships through which we market, sell and distribute our therapeutic candidates for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, include the following:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, receiving, offering, or paying remuneration (a term interpreted broadly to include anything of value, including, for example, gifts, discounts, and credits), directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order, or recommendation of, an item or service reimbursable under a federal healthcare program, such as the Medicare and Medicaid programs;
- federal civil and criminal false claims laws and civil monetary penalty laws, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment to Medicare, Medicaid, or other third-party payors that are false or fraudulent, or making a false statement or record material to payment of a false claim or avoiding, decreasing, or concealing an obligation to pay money owed to the federal government;
- provisions of the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created new federal criminal statutes, referred to as the "HIPAA All-Payor Fraud Prohibition," that prohibit knowingly and willfully executing a scheme to defraud any healthcare benefit program and making false statements relating to healthcare matters;
- federal transparency laws, including the federal Physician Payment Sunshine Act, which require manufacturers of certain drugs and biologics to track and disclose payments and other transfers of value they make to U.S. physicians and teaching hospitals as well as physician ownership and investment interests in the manufacturer, and that such information is subsequently made publicly available in a searchable format on a CMS website;
- provisions of HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations, which imposes certain requirements relating to the privacy, security and transmission of individually identifiable health information; and
- state law equivalents of each of the above federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payor, including commercial insurers, state transparency reporting and compliance laws; and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and which may not have the same effect, thus complicating compliance efforts.

Ensuring that our future business arrangements with third-parties comply with applicable healthcare laws and regulations could involve substantial costs. If our operations are found to be in violation of any such requirements, we may be subject to penalties, including civil or criminal penalties, monetary damages, the curtailment or restructuring of our operations, or exclusion from participation in government contracting, healthcare reimbursement or other government programs, including Medicare and Medicaid, any of which could adversely affect financial results. Although effective compliance programs can mitigate the risk of investigation and prosecution for violations of these laws, these risks cannot be entirely eliminated. Any action against us for an alleged or suspected violation could cause us to incur significant legal expenses and could divert our management's attention from the operation of our business, even if our defense is successful. In addition, achieving and sustaining compliance with applicable laws and regulations may be costly to us in terms of money, time and resources.

We are involved in legal proceedings and may incur substantial litigation costs and liabilities that will adversely affect our business, financial condition and results of operations.

From time to time, third parties have asserted, and may in the future assert, that we or our partners infringe their proprietary rights, such as patents and trade secrets, or have otherwise breached our obligations to them. A third party often bases its assertions on a claim that its patents cover our technology platform or drug candidates or that we have misappropriated its confidential or proprietary information. Similar assertions of infringement could be based on future patents that may issue to third parties. In certain of our agreements with our partners, we are obligated to indemnify and hold harmless our collaboration partners from intellectual property infringement, product liability and certain other claims, which could cause us to incur substantial costs and liability if we are called upon to defend ourselves and our partners against any claims. If a third party obtains injunctive or other equitable relief against us or our partners, they could effectively prevent us, or our partners, from developing or commercializing, or deriving revenue from, certain drugs or drug candidates in the U.S. and abroad. Costs associated with litigation, substantial damage claims, indemnification claims or royalties paid for licenses from third parties could have a material adverse effect on our business, financial condition and results of operations.

We are involved in legal proceedings where we or other third parties are enforcing or seeking intellectual property rights, invalidating or limiting patent rights that have already been allowed or issued, or otherwise asserting proprietary rights through one or more potential legal remedies. For example, we are currently involved in a German litigation proceeding whereby Bayer is seeking co-ownership rights in certain of our patent filings pending at the European Patent Office covering, among other things, PEGylated Factor VIII which we have exclusively licensed to Baxalta. The subject matter of our patent filings in this proceeding relates to Bayer's PEGylated recombinant Factor VIII compound, BAY 94-9027. We believe that Bayer's claim to an ownership interest in these patent filings is without merit and are vigorously defending sole and exclusive ownership rights to this intellectual property. In addition, Bayer has filed claims in the U.S. against Baxalta and Nektar. In one U.S. proceeding, Bayer alleges ADYNOVATE® infringes a Bayer patent. In another U.S. proceeding, Bayer is seeking a declaratory judgement that BAY 94-9027 does not infringe specified Nektar patents or in the alternative that the specified patents are invalid. As part of its intellectual property litigation strategy relating to PEGylated Factor VIII products, Nektar has also filed claims against Bayer. We are also regularly involved in opposition proceedings at the European Patent Office where third parties seek to invalidate or limit the scope of our allowed European patent applications covering (among other things) our drugs and platform technologies. The cost to us in initiating or defending any litigation or other proceeding, even if resolved in our favor, could be substantial, and litigation would divert our management's attention. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could delay our research and development efforts or result in financial implications either in terms of seeking license arrangements or payment of damages or royalties.

Our internal computer systems, or those of our partners, vendors, CROs or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our product development programs or the theft of our confidential information or patient confidential information.

Despite the implementation of security measures, our internal computer systems and those of our partners, vendors, contract research organizations (CROs) and other contractors and consultants are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. Such events could cause interruptions of our operations. For instance, the loss of preclinical data or data from any future clinical trial involving our product candidates could result in delays in our development and regulatory filing efforts and significantly increase our costs. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data, or inappropriate disclosure of confidential or proprietary information of our company or clinical patients, we could suffer or be subject to reputational harm, monetary fines, civil suits, civil penalties or criminal sanctions and requirements to disclose the breach, and other forms of liability, and the development of our product candidates could be delayed.

If earthquakes or other catastrophic events strike, our business may be harmed.

Our corporate headquarters, including a substantial portion of our research and development operations, are located in the San Francisco Bay Area, a region known for seismic activity and a potential terrorist target. In addition, we own facilities for the manufacture of products using our advanced polymer conjugate technologies in Huntsville, Alabama and own and lease offices in Hyderabad, India. There are no backup facilities for our manufacturing operations located in Huntsville, Alabama. In the event of an earthquake or other natural disaster, political instability, or terrorist event in any of these locations, our ability to manufacture and supply materials for drug candidates in development and our ability to meet our manufacturing obligations to our customers would be significantly disrupted and our business, results of operations and financial condition would be harmed. Our collaborative partners may also be subject to catastrophic events, such as earthquakes, floods, hurricanes and tornadoes, any of which could harm our business, results of operations and financial condition. We have not undertaken a systematic analysis of the potential consequences to our business, results of operations and financial condition from a major earthquake or other catastrophic event, such as a fire, sustained loss of power, terrorist activity or other disaster, and do not have a recovery plan for such disasters. In addition, our insurance coverage may not be sufficient to compensate us for actual losses from any interruption of our business that may occur.

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

None, including no purchases of any class of our equity securities by us or any affiliate pursuant to any publicly announced repurchase plan in the three months ended March 31, 2018.

Item 3. Defaults Upon Senior Securities

None.

Item 4. **Mine Safety Disclosures**

Not applicable.

Item 5. **Other Information**

None.

Item 6. Exhibits

Except as so indicated in Exhibit 32.1, the following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

Exhibit Number	Description of Documents
4.1(1)	Investor Agreement, dated as of February 13, 2018, by and between Bristol-Myers Squibb and Company and Nektar Therapeutics.+
10.1(1)	Strategic Collaboration Agreement, dated as of February 13, 2018, by and between Bristol-Myers Squibb and Company and Nektar Therapeutics.+
10.2(2)	Share Purchase Agreement, dated as of February 13, 2018, by and between Bristol-Myers Squibb and Company and Nektar Therapeutics.
31.1(1)	Certification of Nektar Therapeutics' principal executive officer required by Rule 13a-14(a) or Rule 15d-14(a).
31.2(1)	Certification of Nektar Therapeutics' principal financial officer required by Rule 13a-14(a) or Rule 15d-14(a).
32.1*	Section 1350 Certifications.
101**	The following materials from Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, formatted in XBRL (Extensible Business Reporting Language): (i) the unaudited Condensed Consolidated Balance Sheets, (ii) the unaudited Condensed Consolidated Statements of Operations, (iii) the unaudited Condensed Consolidated Statements of Comprehensive Income (Loss), (iv) the unaudited Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements.

+ Confidential treatment with respect to specific portions of this Exhibit has been requested, and such portions are omitted and have been filed separately with the SEC.

(1) Filed herewith.

(2) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Current Report on Form 8-K filed with the SEC on February 14, 2018.

* Exhibit 32.1 is being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall such exhibit be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933, as amended, or the Securities Exchange Act, except as otherwise stated in such filing.

** XBRL information is filed herewith.

SIGNATURES

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

By: /s/ GIL M. LABRUCHERIE
Gil M. Labrucherie
Senior Vice President and Chief Financial Officer
Date: May 10, 2018

By: /s/ JILLIAN B. THOMSEN
Jillian B. Thomsen
Senior Vice President, Finance and Chief Accounting Officer
Date: May 10, 2018

Exhibit 4.1

INVESTOR AGREEMENT

This INVESTOR AGREEMENT (this "**Agreement**") is made as of February 13, 2018, by and between Bristol-Myers Squibb Company, a Delaware corporation (the "**Investor**"), and Nektar Therapeutics, a Delaware corporation (the "**Company**").

WHEREAS, concurrently with the entering into of this Agreement, the Company and the Investor are entering into that certain Strategic Collaboration Agreement dated as of the date of this Agreement (the "**Collaboration Agreement**");

WHEREAS, that certain Share Purchase Agreement dated as of the date of this Agreement (the "**Purchase Agreement**"), by and between the Company and the Investor, provides for the issuance and sale by the Company to the Investor, and the purchase by the Investor, at the Closing (as defined in the Purchase Agreement), of 8,284,600 shares (the "**Purchased Shares**") of common stock, par value $0.0001 per share, of the Company ("**Common Stock**"); and

WHEREAS, as a condition to the consummation of the transactions contemplated by the Purchase Agreement, the Investor and the Company have agreed upon certain rights and restrictions as set forth herein with respect to the Purchased Shares and other securities of the Company beneficially owned by the Investor and its Affiliates;

NOW, THEREFORE, in consideration of the following mutual promises and obligations, and for good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Investor and the Company agree as follows:

1. Definitions. When used in this Agreement, the following terms shall have the respective meanings specified therefor below:

"**Acquisition Proposal**" has the meaning set forth in Section 3.1(c).

"**Advice**" has the meaning set forth in Section 2.5(d).

"**Affiliate**" means, with respect to a specified Person, any other Person which controls, is controlled by or is under common control with the applicable Person. As used in this Agreement, "controls", "control" and "controlled" means the possession, direct or indirect, of the power to direct the management and policies of a Person, whether through the ownership of voting interests of such Person, through Contract or otherwise; *provided* that for the avoidance of doubt the Company and its subsidiaries shall not be deemed Affiliates of the Investor or its subsidiaries.

"**Agreement**" has the meaning set forth in the recitals to this Agreement, including all exhibits attached hereto.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

"**beneficial owner**", "**beneficially owns**", "**beneficial ownership**" and terms of similar import used in this Agreement shall, with respect to a Person has the meaning set forth in Rule 13d-3 under the Exchange Act (a) assuming the full conversion into, and exercise and exchange for, shares of Common Stock of all Common Stock Equivalents beneficially owned by such Person, and (b) determined without regard for the number of days in which such Person has the right to acquire such beneficial ownership.

"**Board of Directors**" means the board of directors of the Company.

"**Business Day**" means a day on which commercial banking institutions in San Francisco, California and New York, New York are open for business.

"**Change of Control**" means, with respect to the Company, any of the following events: (a) any Person is or becomes the beneficial owner, directly or indirectly, a majority of the total voting power represented by all Shares of Then Outstanding Common Stock (which, for purposes of this clause (a), shall include all shares that any such Person has the right to acquire, whether such right which may be exercised immediately or only after the passage of time); (b) the Company consolidates with or merges into another corporation or entity, or any corporation or entity consolidates with or merges into the Company, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) a majority of the combined voting power of the voting securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person becomes the beneficial owner, directly or indirectly, of a majority of the total voting power of all Shares of Then Outstanding Common Stock; (c) the Company sells, assigns, licenses, leases or transfers a majority of the assets of the Company and its subsidiaries, considered collectively, to any Person other than a wholly owned Affiliate of the Company (excluding any license, the primary purpose of which is for drug research rather than to effect a change of control); and (d) any Person is or becomes the beneficial owner, directly or indirectly, of thirty-five percent (35%) or more of the total voting power represented by all Shares of Then Outstanding Common Stock (which, for purposes of this clause (d), shall include all shares that any such Person has the right to acquire, whether such right which may be exercised immediately or only after the passage of time) and has filed a Schedule 13D declaring the purpose or effect of exerting control (or the like) over the Company.

"**Closing Date**" has the meaning set forth in the Purchase Agreement.

"**Collaboration Agreement**" has the meaning set forth in the recitals to this Agreement.

"**Common Stock**" has the meaning set forth in the recitals to this Agreement.

"**Common Stock Equivalents**" means any options, warrants or other securities or rights convertible into or exercisable or exchangeable for, whether directly or following conversion

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into or exercise or exchange for other options, warrants or other securities or rights, shares of Common Stock.

"**Company**" has the meaning set forth in the Preamble to this Agreement.

"**Disposition**" or "**Dispose of**" means (a) offer, pledge, sale, contract to sell, sale of any option or contract to purchase, purchase of any option or contract to sell, grant of any option, right or warrant for the sale of, or other disposition of or transfer of any shares of Common Stock, or any Common Stock Equivalents, including, without limitation, any "short sale" or similar arrangement, or (b) swap, hedge, derivative instrument or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of shares of Common Stock, whether any such swap or transaction is to be settled by delivery of securities, in cash or otherwise.

"**Effectiveness Date**" means: (a) with respect to a Registration Statement that may be required pursuant to Section 2.1(a), the thirtieth (30th) day following the Filing Date (or the sixtieth (60th) day following the Filing Date in the event such Registration Statement is reviewed by the SEC), and (b) with respect to any Registration Statement that may be required pursuant to Section 2.1(b), the ninetieth (90th) day following the date on which the Company first knows that such additional Registration Statement is required under such Section (or the one hundred twentieth (120th) day following the date on which the Company first knows that such additional Registration Statement is required in the event the additional Registration Statement is reviewed by the SEC). If an Effectiveness Date falls on a Saturday, Sunday or other date that the SEC is closed for business, the Effectiveness Date shall be extended to the next day on which the SEC is open for business.

"**Effectiveness Period**" has the meaning set forth in Section 2.1(a).

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"**Filing Date**" means (a) with respect to a Registration Statement that may be required pursuant to Section 2.1(a), a date which is no later than the thirtieth (30th) day following receipt by the Company of a written request from a Holder that the Company effect a registration of all or a portion of the Registrable Securities pursuant to Section 2.1(a), and (b) with respect to any Registration Statement that may be required pursuant to Section 2.1(b), the forty-fifth (45th) day following the date on which the Company first knows that such additional Registration Statement is required pursuant to Section 2.1(b).

"Form S-3" has the meaning set forth in Section 2.1.

"**Funds**" has the meaning set forth in Section 4.2.

"**Governmental Authority**" means any applicable government authority, court, tribunal, arbitrator, agency, department, legislative body, commission or other instrumentality of (a) any

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government of any country or territory, (b) any nation, state, province, county, city or other political subdivision thereof or (c) any supranational body.

"**Holders**" means (but, in each case, only for so long as such Person remains an Affiliate of the Investor) the Investor and any Permitted Transferee thereof, if any, in accordance with Section 2.5(g).

"**Indemnified Party**" has the meaning set forth in Section 2.4(c).

"**Indemnifying Party**" has the meaning set forth in Section 2.4(c).

"**Investor**" has the meaning set forth in the Preamble to this Agreement.

"**Irrevocable Proxy**" has the meaning set forth in Section 5.2.

"**Law**" or "**Laws**" means all applicable laws, statutes, rules, codes, regulations, orders, judgments, decrees, injunctions, awards, rulings and/or ordinances of any Governmental Authority, including under common law.

"**Lock-Up Agreement**" has the meaning set forth in Section 4.4.

"**Lock-Up Term**" has the meaning set forth in Section 4.1.

"**Losses**" has the meaning set forth in Section 2.4(a).

"**Offeror**" has the meaning set forth in Section 3.1(c).

"**Other Holders**" means a Person other than the Investor or its Affiliates having rights to participate in a registration of the Company's securities.

"**Permitted Transferee**" means an Affiliate of the Investor that is wholly owned, directly or indirectly, by the Investor; it being understood that for purposes of this definition "wholly owned" shall mean an Affiliate in which the Investor owns, directly or indirectly, at least ninety-nine percent (99%) of the outstanding capital stock or ownership interests of such Affiliate; *provided, however*, that no such Person shall be deemed a Permitted Transferee for any purpose under this Agreement unless: (a) the Investor shall have, within five (5) days prior to such transfer, furnished to the Company written notice of the name and address of such Permitted Transferee, details of its status as a Permitted Transferee and details of the Shares of Then Outstanding Common Stock and/or Common Stock Equivalents to be transferred, (b) the Permitted Transferee, prior to or simultaneously with such transfer, shall have agreed in writing to be subject to and bound by all restrictions and obligations set forth in this Agreement as though it were such Investor hereunder, and (c) the Investor acknowledges that it continues to be bound by all restrictions and obligations set forth in this Agreement.

"**Person**" means any individual, limited liability company, partnership, firm, corporation, association, trust, unincorporated organization, government or any department or agency thereof

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or other entity, as well as any syndicate or group that would be deemed to be a Person under Section 13(d)(3) of the Exchange Act.

"**Proceeding**" means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"**Prospectus**" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A or Rule 430B promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"**Purchase Agreement**" has the meaning set forth in the recitals of this Agreement, and shall include all exhibits attached thereto.

"**Purchased Shares**" has the meaning set forth in the recitals of this Agreement, and shall be adjusted for (a) any stock split, stock dividend, share exchange, merger, consolidation or similar recapitalization, and (b) any share of Common Stock issued as (or issuable upon the exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange or in replacement of, the Purchased Shares.

"**Qualified Change of Control**" means a Change of Control in which either (a) the Investor would become (i) the beneficial owner of thirty five percent (35%) or more of the total voting power represented by all Shares of Then Outstanding Common Stock (which, for purposes of this clause (a)(i), includes all shares that any such Person has the right to acquire, whether such right which may be exercised immediately or only after the passage of time) and has filed a Schedule 13D declaring the purpose or effect of exerting control (or the like) over the Company or (ii) purchaser of a majority of the assets of the Company and its subsidiaries, considered collectively (excluding any license, the primary purpose of which is for drug research rather than to effect a change of control); or (b) a Third Party would become (i) the beneficial owner of thirty five percent (35%) or more of the total voting power represented by all Shares of Then Outstanding Common Stock (which, for purposes of this clause (b)(i), includes all shares that any such Person has the right to acquire, whether such right which may be exercised immediately or only after the passage of time) and has filed a Schedule 13D declaring the purpose or effect of exerting control (or the like) over the Company or (ii) purchaser of a majority of the assets of the Company and its subsidiaries, considered collectively (excluding any license, the primary purpose of which is for drug research rather than to effect a change of control), and the Investor has publicly declared its intent to effect a Change of Control transaction in lieu of such Third Party.

"**Reduction Securities**" has the meaning set forth in Section 2.1(b).

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"**registers**", "**registered**", and "**registration**" refer to a registration effected by preparing and filing a registration statement or similar document (including any pre- or post-effective amendment or supplement thereto) in compliance with the Securities Act, and, as applicable, the declaration or ordering of effectiveness of such registration statement or document.

"**Registrable Securities**" means (a) the Purchased Shares, and (b) any share of Common Stock issued as (or issuable upon the exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange or in replacement of, the shares of Common Stock described in clause (a) of this definition; excluding, however, (i) any Registrable Securities if and after they have been sold, transferred or otherwise disposed of by a Person in a transaction in which its registration rights granted under this Agreement were not assigned in accordance with Section 2.5(h), and (ii) any Registrable Securities sold to the public through a registration statement or pursuant to Rule 144.

"**Registration Statement**" means a registration statement contemplated by Section 2.1(a) and Section 2.1(b) and each additional registration statement, if any, contemplated by Section 2.1(b), and including, in each case, the Prospectus, amendments and supplements to each such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"**Registration Term**" has the meaning set forth in Section 2.1(a).

"**Rule 144**" means Rule 144 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as such Rule.

"**Rule 145**" means Rule 145 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as such Rule.

"**Rule 415**" means Rule 415 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as such Rule.

"**Rule 424**" means Rule 424 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as such Rule.

"**SEC**" means the United States Securities and Exchange Commission.

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"**Selling Stockholder Questionnaire**" has the meaning set forth in Section 2.1(c).

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"**Shares of Then Outstanding Common Stock**" means, at any time, all of the issued and outstanding shares of Common Stock at such time, as well as all capital stock issued and outstanding as a result of any stock split, stock dividend, or reclassification of Common Stock.

"**Standstill Parties**" has the meaning set forth in Section 3.1.

"**Standstill Term**" has the meaning set forth in Section 3.2.

"**Third Party**" means any Person (other than a Governmental Authority) other than the Investor, the Company or any Affiliate of the Investor or the Company.

"**Trading Day**" means any day on which the Common Stock is traded on Nasdaq; *provided* that "Trading Day" shall not include any day on which the Common Stock is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Common Stock is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time).

2. Registration.

2.1. Registration Rights.

(a) If, at any time after the expiration for the Lock-Up Term but not later than the fifth (5th) anniversary of such expiration (the "**Registration Term**"), the Company receives from any Holder or Holders a written request or written requests that the Company file a Registration Statement under the Securities Act to effect the registration of the Registrable Securities, the Company shall prepare and file with the SEC a Registration Statement on Form S-3 or any comparable successor form or forms ("**Form S-3**") covering the resale of all or such portion of Registrable Securities as are permitted to be sold pursuant to Section 4 and are specified in a written request from a Holder to the Company not already covered by an existing and effective Registration Statement (except as provided in Section 2.1(b)) for an offering to be made on a continuous basis pursuant to Rule 415. If the Company is not at such time eligible for the use of Form S-3, then the Company will prepare and file a Registration Statement on a Form S-1 or alternative form that permits the resale of the Registrable Securities. The Registration Statement shall contain (except if otherwise required pursuant to written comments received from the SEC upon a review of such Registration Statement) the "Plan of Distribution" in substantially the form attached hereto as Annex A. The Company will discuss in good faith with such demanding Holder or Holders the method of resale under such Registration Statement as requested by such Holder or Holders. The Company shall use its commercially reasonable efforts to cause each Registration Statement to be declared effective under the Securities Act as soon as possible but, in any event, no later than the Effectiveness Date for such Registration Statement, and shall use its commercially reasonable efforts to keep the Registration Statement continuously effective under the Securities Act until the earlier of (i) such time as all Registrable Securities covered by such Registration Statement have been publicly sold by a Holder or (ii) the date that all shares of Common Stock covered by such Registration Statement cease to be

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Registrable Securities hereunder (the "**Effectiveness Period**"), subject to Section 2.5(c). The Company shall not be required to effect more than two (2) registrations pursuant to this Section 2.1; provided, that the Company will not have been deemed to effect a registration unless and until the Registration Statement requested under this Section 2.1 becomes effective. In addition, the Company shall not be required to effect a registration pursuant to this Section 2.1 if the Company furnishes to the Holders a certificate signed by an authorized officer of the Company stating that (A) within ninety (90) days after receipt of a written request or written requests from a Holder or Holders that the Company file a Registration Statement under the Securities Act to effect the registration of the Registrable Securities under this Section 2.1, the Company will file a Registration Statement for the public offering of securities for the account of the Company (other than a registration of securities (1) issuable pursuant to an employee stock option, stock purchase or similar plan, (2) issuable pursuant to a merger, exchange offer or a transaction of the type specified in Rule 145(a) under the Securities Act or (3) in which the only securities being registered are securities issuable upon conversion of debt securities which are also being registered), or (B) the Company is engaged in a material transaction or has an undisclosed material corporate development, in either case, which would be required to be disclosed in the Registration Statement, and in the good faith judgment of the Board of Directors, such disclosure would be materially detrimental to the Company and its stockholders at such time (in which case, the Company shall disclose the matter as promptly as reasonably practicable and thereafter file the Registration Statement), *provided, however*, that the Company shall have the right to defer the filing of the Registration Statement pursuant to this Section 2.1(a) [***] and, [***] after receipt of a written request or written requests from a Holder or Holders that the Company file a Registration Statement under the Securities Act to effect the registration of the Registrable Securities under this Section 2.1. Each Holder agrees not to disclose any information provided to Holder pursuant to this Section 2.1(a) until such disclosure has entered the public domain other than through breach of this provision by such Holder. The Holder(s) making a Form S-3 request may request that the registration be made pursuant to Rule 415 under the Securities Act (a **"Shelf Registration Statement"**) and, if the Company is a "well-known seasoned issuer" (as defined under Rule 405 of the Securities Act) at the time any such request is submitted to the Company, that such Shelf Registration Statement be an automatic shelf registration statement (as defined in Rule 405 under the Securities Act) (an **"Automatic Shelf Registration Statement"**). In the event that a Shelf Registration Statement is effective, (x) the Holders shall have the right at any time or from time to time to elect to sell pursuant to an underwritten offering the Registrable Securities available for sale pursuant to such registration statement (**"Shelf Registrable Securities"**), or (y) if the Holders intend to sell by means of a public offering an amount of the Shelf Registrable Securities in excess of one percent (1%) of the Shares of the Then Outstanding Common Stock within ninety (90) days, the Company shall have the right to require the Holders to sell such Shelf Registrable Securities pursuant to an underwritten offering, so long as the Shelf Registration Statement remains in effect. The Holder(s) shall make such election by delivering to the Company a written notice (a **"Shelf Offering Notice"**) with respect to such offering specifying the number of Shelf Registrable Securities that the holders desire to sell pursuant to such offering (the **"Shelf Offering"**). As promptly as practicable, but no later than three (3) Trading Days after receipt of a Shelf Offering Notice, the Company shall give written notice of such Shelf Offering Notice to all other Holders

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of Shelf Registrable Securities. The Company shall include in such Shelf Offering the Shelf Registrable Securities of any other holder of Shelf Registrable Securities that shall have made a written request to the Company for inclusion in such Shelf Offering (which request shall specify the maximum number of Shelf Registrable Securities intended to be disposed of by such holder) within three (3) Trading Days after the receipt of the written notice of the Shelf Offering Notice from the Company. The Company shall, as expeditiously as possible (and in any event within seven (7) Trading Days after the receipt of a Shelf Offering Notice) use commercially reasonable efforts to facilitate such Shelf Offering. Notwithstanding the foregoing, if a Holder of Shelf Registrable Securities wishes to engage in an underwritten block trade off of a Shelf Registration Statement (either through filing an Automatic Shelf Registration Statement or through a take-down from an already existing Shelf Registration Statement), then notwithstanding the foregoing time periods, such Holders only need to notify the Company of the block trade Shelf Offering three (3) Trading Days prior to the day such offering is to commence (unless a longer period is agreed to by such Holder. The Company shall use commercially reasonable efforts to facilitate such offering (which may close as early as two (2) Trading Days after the date it commences). The Company shall, at the request of the Holders of Registerable Securities, file any prospectus supplement or any post-effective amendments and otherwise take any action necessary to include therein all disclosure deemed necessary or advisable to effect such Shelf Offering.

(b) Notwithstanding anything contained herein to the contrary, in the event that, following the filing of a Registration Statement pursuant to Section 2.1(a) above, the SEC limits the amount of Registrable Securities that may be included and sold by a Holder in any Registration Statement, including any such Registration Statement filed pursuant to Section 2.1(a), pursuant to Rule 415 or any other basis, the Company may reduce the number of Registrable Securities included in such Registration Statement on behalf of such Holder (such Registrable Securities so reduced, the "**Reduction Securities**"). In such event the Company shall give such Holder prompt written notice of the number of such Reduction Securities. The Company shall use its commercially reasonable efforts at the first opportunity that is permitted by the SEC to register for resale the Reduction Securities. Such new Registration Statement shall be filed on or prior to the applicable Filing Date, shall be on Form S-3 (except if the Company is not then eligible to register for resale the Registrable Securities on Form S-3, in which case such registration shall be on another appropriate form for such purpose) and shall contain (except if otherwise required pursuant to written comments received from the SEC upon a review of such Registration Statement) the "Plan of Distribution" in substantially the form attached hereto as Annex A. The Company shall use its commercially reasonable efforts to cause each such Registration Statement to be declared effective under the Securities Act as soon as possible but, in any event, no later than the Effectiveness Date for such Registration Statement, and shall use its commercially reasonable efforts to keep such Registration Statement continuously effective under the Securities Act during the entire Effectiveness Period, subject to Section 2.5(c).

(c) Any Holder exercising its rights under this Section 2 agrees to furnish to the Company a completed notice and questionnaire in the form attached hereto as Annex B containing such information regarding such Holder, the Registrable Securities held by such Holder and the distribution proposed by such Holder as the Company may reasonably

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request and as shall be required in connection with any registration referred to in this Agreement (a "**Selling Stockholder Questionnaire**") on a date that is not less than five (5) Trading Days prior to the date of filing of a Registration Statement. Such Holder further agrees that it shall not be entitled to be named as a selling securityholder in a Registration Statement or use the Prospectus for offers and resales of Registrable Securities at any time, unless such Holder has returned to the Company a completed and signed Selling Stockholder Questionnaire. If such Holder of Registrable Securities returns a Selling Stockholder Questionnaire after the deadline specified in the previous sentence, the Company shall use its commercially reasonable efforts to take such actions as are required to name such Holder as a selling security holder in the Registration Statement or any pre-effective or post-effective amendment thereto and to include (to the extent not theretofore included) in the Registration Statement the Registrable Securities identified in such late Selling Stockholder Questionnaire. Such Holder acknowledges and agrees that the information in the Selling Stockholder Questionnaire will be used by the Company in the preparation of the Registration Statement and hereby consents to the inclusion of such information in the Registration Statement.

2.2. Registration Procedure. In connection with the Company's registration obligations hereunder, the Company shall:

(a) Not less than three (3) Trading Days prior to the filing of a Registration Statement or any related Prospectus or any amendment or supplement thereto, furnish to the selling Holder or Holders copies of all such documents proposed to be filed (other than those incorporated by reference). Notwithstanding the foregoing, the Company shall not be required to furnish to the Holders any prospectus supplement being prepared and filed solely to name new or additional selling securityholders unless any such Holder is named in such prospectus supplement. The Company shall duly consider in good faith any comments made by a Holder and received by the Company not later than two (2) Trading Days prior to the filing of the Registration Statement, but shall not be required to accept any such comments to which it reasonably objects.

(b) Subject to Section 2.5(c), (i) prepare and file with the SEC such amendments, including post-effective amendments, to each Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continuously effective as to the applicable Registrable Securities for its Effectiveness Period and prepare and file with the SEC such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities; (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement, and as so supplemented or amended to be filed pursuant to Rule 424; (iii) respond as promptly as reasonably possible to any comments received from the SEC with respect to each Registration Statement or any amendment thereto and, as promptly as reasonably possible provide each selling Holder true and complete copies of all correspondence from and to the SEC relating to such Registration Statement that pertains to such Holder as a selling stockholder but not any comments that would result in the disclosure to such Holder of material and non-public information concerning the Company; and (iv) comply in all material respects with the provisions of the Securities Act and the Exchange Act with respect to the Registration

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Statements and the disposition of all Registrable Securities covered by each Registration Statement.

(c) Notify the Holders as promptly as reasonably possible (and, in the case of (i)(A) below, not less than three (3) Trading Days prior to such filing) and (if requested by any such Person) confirm such notice in writing no later than one (1) Trading Day following the day: (i)(A) when a Prospectus or any prospectus supplement (but only to the extent notice is required under Section 2.2(a) above) or post-effective amendment to a Registration Statement is proposed to be filed; (B) when the SEC notifies the Company whether there will be a "review" of such Registration Statement and whenever the SEC comments in writing on such Registration Statement (in which case the Company shall provide true and complete copies thereof and all written responses thereto to each Holder that pertain to such Holder as a selling stockholder or to the Plan of Distribution, but not information which the Company reasonably believes would constitute material and non-public information concerning the Company); and (C) with respect to each Registration Statement or any post-effective amendment, when the same has been declared effective; (ii) of any request by the SEC or any other Federal or state governmental authority for amendments or supplements to a Registration Statement or Prospectus or for additional information that pertains to a Holder as a selling stockholder or the Plan of Distribution; (iii) of the issuance by the SEC of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; (v) of the occurrence of any event or passage of time that makes the financial statements included or incorporated by reference in a Registration Statement ineligible for inclusion or incorporation by reference therein or any statement made in such Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to such Registration Statement, Prospectus or other documents so that, in the case of such Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, or any form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading; and (vi) of the occurrence or existence of any pending development with respect to the Company that the Company believes may be material and that, in the determination of the Company, makes it not in the best interest of the Company to allow continued availability of a Registration Statement or Prospectus; *provided*, that any and all of such information shall remain confidential to each Holder until such information otherwise becomes public, unless disclosure by such Holder is required by law; *provided*, *further*, that notwithstanding such Holder's agreement to keep such information confidential, such Holder makes no acknowledgment that any such information is material, non-public information.

(d) Use commercially reasonable efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order suspending the effectiveness of a Registration

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Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment.

(e) Furnish to the selling Holder, without charge, at least one (1) conformed copy of each Registration Statement and each amendment thereto and all exhibits (including financial statements and schedules) to the extent reasonably requested by such Person (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the SEC; provided, that the Company shall have no obligation to provide any document pursuant to this clause that is available on the EDGAR system.

(f) Promptly deliver to the selling Holder, without charge, as many copies of each Prospectus or Prospectuses (including each form of prospectus) and each amendment or supplement thereto as such Persons may reasonably request. Subject to Section 2.5(c), the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by the selling Holder in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto.

(g) Use commercially reasonable efforts to register or qualify (or obtain an exemption from such registration or qualification of) such Registrable Securities for offer and sale under the securities or Blue Sky laws of those jurisdictions within the United States as such Holder reasonably requests in writing to keep each such registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Registrable Securities covered by the Registration Statements; provided, that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or subject the Company to any material tax in any such jurisdiction where it is not then so subject.

(h) Cooperate with the selling Holder to facilitate the timely delivery of the Registrable Securities in book-entry form to a transferee pursuant to the Registration Statements, free, to the extent permitted by the Purchase Agreement and under Law, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such name as such Holder may request.

(i) Upon the occurrence of any event contemplated by Section 2.2(c)(v), as promptly as reasonably possible, prepare a supplement or amendment, including a post-effective amendment, to the effected Registration Statements or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, no Registration Statement nor any Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, or any form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading.

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(j) If required by the FINRA Corporate Financing Department or any similar entity, promptly effect a filing with FINRA pursuant to FINRA Rule 5110 with respect to the public offering contemplated by resales of securities under the Registration Statement (an "**Issuer Filing**"), and pay the filing fee required by such Issuer Filing.

(k) Following expiration of the Lock-Up Term, if requested by the selling Holder, the Company shall use its reasonable efforts to engage an underwriter (or to cooperate with such Holder's engagement of an underwriter) with respect to the sale of the Registrable Securities under the Registration Statement and in connection therewith:

(i) enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of the Underwritten Offering pursuant to which such Registrable Securities are being offered;

(ii) use commercially reasonable efforts to obtain: (A) at the time of effectiveness of the Registration Statement covering such Registrable Securities, a "cold comfort letter" from the Company's independent certified public accountants covering such matters of the type customarily covered by "cold comfort letters" as the underwriters may reasonably request; and (B) at the time of any underwritten sale pursuant to such Registration Statement, a "bring-down comfort letter," dated as of the date of such sale, from the Company's independent certified public accountants covering such matters of the type customarily covered by "bring-down comfort letters" as the underwriters may reasonably request;

(iii) in connection with any Underwritten Offering, use commercially reasonable efforts to obtain an opinion or opinions addressed to the underwriter or underwriters in customary form and scope from counsel for the Company; and

(iv) use commercially reasonable efforts to participate, to the extent requested by the managing underwriter, in efforts extending for no more than two (2) days scheduled by such managing underwriter and reasonably acceptable to the Company's senior management, to sell the Registrable Securities being offered pursuant to such Required Registration (including participating during such period in customary "roadshow" meetings with prospective investors).

2.3. Registration Expenses. All fees and expenses incident to the Company's performance of or compliance with its obligations under this Section 2 (excluding any underwriting discounts and selling commissions) shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with the securities exchange on which the Common Stock is then listed for trading, and (B) in compliance with applicable state securities or Blue Sky laws), (ii) printing expenses (including, without limitation, expenses of printing prospectuses if the printing of prospectuses is

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reasonably requested by the holders of a majority of the Registrable Securities included in the Registration Statement), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Section 2 and (vi) reasonable legal fees and expenses of one legal counsel for the Holders, up to a maximum of $25,000 per Registration Statement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Section 2 (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit, the expense of any quarterly review, and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder. In no event shall the Company be responsible for any underwriting, broker or similar commissions of the Holders or any legal fees or other costs of the Holders (except as set forth in clause (vi)).

2.4. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each selling Holder, the officers, directors, agents, partners, members, stockholders and employees of such Holder, each Person who controls such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, agents, partners, members, stockholders and employees of each such controlling Person, to the fullest extent permitted by Law, from and against any and all losses, claims, damages, liabilities, deficiencies, assessments, fines, judgments, fees, costs (including, without limitation, reasonable costs of preparation and reasonable attorneys' fees) and expenses (collectively, "**Losses**"), as incurred, arising out of or relating to any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto (it being understood that each Holder has approved Annex A hereto for this purpose), or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading or any violation or alleged violation by the Company of the Securities Act or any other similar federal or state securities law or any rule or regulation promulgated thereunder applicable to the Company relating to any such registration, qualification or compliance, except to the extent, but only to the extent, that (A) such untrue statements, alleged untrue statements, omissions or alleged omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in the Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto (it being understood that each Holder has approved Annex A hereto for this purpose) or (B) in the case of an occurrence of an event of the type specified in Section 2.2(c)(ii) through (and including) (vi), the use by such Holder of an outdated or defective Prospectus after such Holder has received

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written notice from the Company that the Prospectus is outdated or defective and prior to the receipt by such Holder of an Advice (as defined below) or an amended or supplemented Prospectus, but only if and to the extent that following the receipt of the Advice or the amended or supplemented Prospectus the misstatement or omission giving rise to such Loss would have been corrected. The Company shall notify each Holder promptly of the institution, threat or assertion of any Proceeding of which the Company is aware in connection with the transactions contemplated by this Agreement.

(b) Indemnification by Holder. Each selling Holder shall, notwithstanding any termination of this Agreement, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act), and the directors, officers, agents, partners, members, stockholders or employees of such controlling Persons, to the fullest extent permitted by Law, from and against all Losses, as incurred, arising solely out of or based solely upon: (i) for so long as the prospectus delivery requirements of the Securities Act apply to sales by such Holder, such Holder's failure to comply with the prospectus delivery requirements of the Securities Act and (ii) any untrue statement of a material fact contained in any Registration Statement, any Prospectus, or any form of prospectus, or in any amendment or supplement thereto, or arising solely out of or based solely upon any omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, or any form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading to the extent, but only to the extent that, (A) such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in the Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto (it being understood that each Holder has approved Annex A hereto for this purpose) or (B) in the case of an occurrence of an event of the type specified in Section 2.2(c)(ii) through (and including) (vi), the use by such Holder of an outdated or defective Prospectus after such Holder has received written notice from the Company that the Prospectus is outdated or defective and prior to the receipt by such Holder of an Advice or an amended or supplemented Prospectus, but only if and to the extent that following the receipt of the Advice or the amended or supplemented Prospectus the misstatement or omission giving rise to such Loss would have been corrected. In no event shall the liability of any Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "**Indemnified Party**"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "**Indemnifying Party**") in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense

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thereof; provided, that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have proximately and materially adversely prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (i) the Indemnifying Party has agreed in writing to pay such fees and expenses; (ii) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (iii) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel that a conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and such counsel shall be at the expense of the Indemnifying Party); *provided* that the Indemnifying Party shall not be liable for the fees and expenses of more than one separate firm of attorneys at any time for all Indemnified Parties pursuant to this Section 2.4(c). The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

All fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within ten Trading Days of written notice thereof to the Indemnifying Party (regardless of whether it is ultimately determined that an Indemnified Party is not entitled to indemnification hereunder; *provided*, that the Indemnifying Party may require such Indemnified Party to undertake to reimburse all such fees and expenses to the extent it is finally judicially determined that such Indemnified Party is not entitled to indemnification hereunder).

(d) Contribution. If a claim for indemnification under Section 2.4(a) or Section 2.4(b) is unavailable to an Indemnified Party (by reason of public policy or otherwise), then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such

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Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in Section 2.4(c), any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 2.4(d) was determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 2.4(d), no Holder shall be required to contribute, in the aggregate, any amount in excess of the amount by which the proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

The indemnity and contribution agreements contained in this Section 2.4 are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties without duplication of recovery to the Indemnified Parties.

2.5. General.

(a) Remedies. In the event of a breach by the Company or by any Holder, of any of their obligations under this Agreement, such Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement as provided in Section 7.13. The Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it in connection with sales of Registrable Securities pursuant to the Registration Statement and shall sell the Registrable Securities only in accordance with a method of distribution described in the Registration Statement.

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(c) Furnishing of Information. The Company may require each selling Holder to furnish to the Company a certified statement as to (i) the number of shares of Common Stock beneficially owned by such selling Holder and any Affiliate thereof, (ii) any FINRA affiliations, (iii) any natural persons who have the power to vote or dispose of the common stock and (iv) any other information as may be requested by the SEC, FINRA or any state securities commission.

(d) Discontinued Disposition. Each Holder agrees by its acquisition of such Registrable Securities that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 2.2(c), such Holder will forthwith discontinue disposition of such Registrable Securities under the Registration Statement until such Holder's receipt of the copies of the supplemented Prospectus and/or amended Registration Statement or until it is advised in writing (the "**Advice**") by the Company that the use of the applicable Prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or Registration Statement. The Company may provide appropriate stop orders to enforce the provisions of this paragraph.

(e) Piggy-Back Registrations. If at any time during the Registration Term, the Company proposes to grant to any Other Holder the right to include shares of the Company's capital stock in any registration statement the Company may determine in its discretion to prepare and file with the SEC (other than a post-effective amendment to an existing registration statement) relating to an offering for the Company's own account under the Securities Act of any of its equity securities, other than a registration statement on Form S-4 or Form S-8 (each as promulgated under the Securities Act) or their then equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the stock option or other employee benefit plans, then the Company shall, contemporaneously with entering into an agreement with Other Holders with respect to such right, offer to enter into an agreement with Investor (and any of its Affiliates who hold shares of capital stock of the Company) granting Investor substantially similar rights, allocated *pro rata* on the basis of the number of shares of capital stock of the Company held by Investor and/or any such Affiliates of Investor on the one hand, and the Other Holder(s) on the other hand, and thereafter perform its obligations under such agreement.

(f) Reports Under the Exchange Act. With a view to making available to the Holders the benefits of Rule 144 and any other rule or regulation of the SEC that may at any time permit the Holders to sell securities of the Company to the public without registration, the Company agrees, for so long as the Holders hold (x) all or any portion of the Purchased Shares issued pursuant to the Purchase Agreement, and (y) any other shares of Common Stock issued as (or issuable upon conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, in exchange for or in replacement of the Shares, to use its commercially reasonable efforts to:

(i) make and keep public information available, as those terms are understood and defined in Rule 144, at all times on and after the date hereof;

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(ii) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (or obtain extensions in respect thereof and file within the applicable grace period); and

(iii) furnish to each Holder, so long as the Holder owns (A) all or any portion of the Purchased Shares issued pursuant to the Purchase Agreement, and (B) any other shares of Common Stock issued as (or issuable upon conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, in exchange for or in replacement of the Shares, forthwith upon request (1) a written statement by the Company that it has complied with the reporting requirements of Rule 144, the Securities Act and the Exchange Act and (2) such other information as may be reasonably requested to avail such Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration.

(g) Assignment of Registration Rights. The rights to cause the Company to register any Registrable Securities pursuant to this Agreement may be assigned in whole or in part (but only with all restrictions and obligations set forth in this Agreement) by a Holder to a Permitted Transferee from such Holder; *provided*, *however*, that (i) such Holder shall, within five (5) days prior to such transfer, furnish to the Company written notice of the name and address of such Permitted Transferee, details of its status as a Permitted Transferee and details of the Registrable Securities with respect to which such registration rights are being assigned, (ii) the Permitted Transferee, prior to or simultaneously with such transfer or assignment, shall agree in writing to be subject to and bound by all restrictions and obligations set forth in this Agreement, (iii) the Investor shall continue to be bound by all restrictions and obligations set forth in this Agreement and (iv) such transfer or assignment shall be effective only if immediately following such transfer or assignment the further disposition of such Registrable Securities by the Permitted Transferee is restricted under the Securities Act and other applicable securities Law.

(h) Subsequent Registration Rights. During the Registration Term, without the written consent of the Holders of a majority of the then outstanding Registrable Securities, the Company shall not file any registration statement covering the resale of any Company securities held by any Person (other than any of the Holders) (an **"Other Registration Statement"**) unless prior to or concurrently with the filing of such Other Registration Statement, any Registration Statement required by Sections 2.1(a) and 2.1(b) hereof is or has been filed with, and declared effective by, the Commission.

3. Restrictions on Beneficial Ownership.

3.1. Standstill. Unless earlier terminated pursuant to Section 6.2, during the Standstill Term, except as otherwise provided in this Section 3 or unless expressly approved or invited in writing by the Board of Directors, neither the Investor nor any of its controlled Affiliates or any Third Party that acquires, by way of merger, acquisition, consolidation, share purchase, asset purchase, recapitalization, restructuring or similar transactions, all or

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substantially all of the assets of the Investor or beneficial ownership of a majority of the voting securities of the Investor (or any surviving or resulting entity thereof) (such Third Parties, "**Successor Affiliates**" and, collectively with the Investor and its controlled Affiliates, the "**Standstill Parties**") shall (and the Investor shall cause its controlled Affiliates not to):

(a) directly or indirectly acquire beneficial ownership of Shares of Then Outstanding Common Stock and/or Common Stock Equivalents, or make a tender, exchange or other offer to acquire Shares of Then Outstanding Common Stock or Common Stock Equivalents (other than, in each case, the Purchased Shares);

(b) directly or indirectly seek to have called any meeting of the stockholders of the Company or propose or nominate for election to the Board of Directors any person whose nomination has not been approved by a majority of the Board of Directors or fail to cause to be voted in accordance with the recommendation of the Board of Directors with respect to such person for election to the Board of Directors any Shares of Then Outstanding Common Stock;

(c) directly or indirectly, knowingly encourage or support a tender, exchange or other offer or proposal by any other Person or group (an "**Offeror**") the consummation of which would result in a Change of Control (an "**Acquisition Proposal**"); *provided*, *however*, that from and after the filing of a Schedule 14D-9 (or successor form of Tender Offer Solicitation/Recommendation Statement under Rule 14d-9 of the Exchange Act) by the Company recommending that stockholders accept any such offer, the Investor shall not be prohibited from taking any of the actions otherwise prohibited by this Section 3.1(c) for so long as the Company maintains and does not withdraw such recommendation;

(d) directly or indirectly solicit proxies or consents or become a participant in a solicitation (as such terms are defined in Regulation 14A under the Exchange Act) in opposition to the recommendation of a majority of the Board of Directors with respect to any matter, or seek to advise or influence any Person, with respect to voting of any Shares of Then Outstanding Common Stock of the Company;

(e) deposit any Shares of Then Outstanding Common Stock in a voting trust or subject any Shares of Then Outstanding Common Stock to any arrangement or agreement with respect to the voting of such Shares of Then Outstanding Common Stock;

(f) propose (i) any merger, consolidation, business combination, tender or exchange offer, purchase of all or substantially all of the assets or businesses of the Company and its subsidiaries, considered collectively, or the Company's shares of capital stock that, together with the Shares of Then Outstanding Common Stock of the Company, would represent more than 50% of the Company's outstanding shares of capital stock, or similar transaction involving the Company, or (ii) any recapitalization, restructuring, liquidation or other extraordinary transaction with respect to the Company;

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(g) act in concert with any Third Party to take any action in clauses (a) through (f) above, or form, join or in any way participate in a "partnership, limited partnership, syndicate, or other group" within the meaning of Section 13(d)(3) of the Exchange Act;

(h) enter into negotiations, arrangements or agreements with any Person relating to the foregoing actions referred to in (a) through (g) above; or

(i) request or propose to the Board of Directors, any member(s) thereof or any officer of the Company that the Company amend, waive, or consider the amendment or waiver of, any provisions set forth in this Section 3.1 (including this clause (i));

Notwithstanding the foregoing, nothing in this Agreement shall restrict the Investor's executive officers or directors shall be restricted from purchasing or Disposing of shares of Common Stock for his or her personal account (other than through a tender or exchange offer), tendering his or her shares into a Third Party tender or exchange offer, voting his or her shares in any way he or she determines, or depositing his or her shares into a voting trust or subjecting them to any arrangement or agreement with respect to the voting of such shares.

3.2. Standstill Term. For purposes of this Agreement, the "**Standstill Term**" means the period from the date of this Agreement until the fifth (5th) anniversary of the Closing Date; *provided*, *however*, that the Standstill Term shall terminate immediately (a) upon the expiration of the Term (as defined in the Collaboration Agreement) or the earlier termination of the Collaboration Agreement pursuant to Article 16 thereof (other than as a result of the termination by the Company of the Collaboration Agreement pursuant to Section 16.2 thereof) or (b) if after the date of this Agreement, (i) any Person (A) becomes the beneficial owner of thirty five percent (35%) or more of the Shares Then Outstanding Common Stock (which, for purposes of this clause (b)(i)(A), includes all shares that any such Person has the right to acquire, whether such right which may be exercised immediately or only after the passage of time) and has filed a Schedule 13D declaring the purpose or effect of exerting control (or the like) over the Company or (B) commences a tender or exchange offer which, if consummated, would make such Person together with any of its Affiliates the beneficial owner of thirty five percent (35%) or more of the Shares of Then Outstanding Common Stock and the Board of Directors does not, within ten (10) Business Days after the commencement of such offer, recommend against stockholders tendering their shares of Common Stock in such offer, or (ii) the Company enters into a definitive written agreement with one or more Third Parties that, if consummated, would result in a Change of Control.

3.3. Private Offers. Notwithstanding anything in this Agreement to the contrary, the Investor may from time to time following the date of this Agreement, orally or in writing, submit (but only privately and not publicly) to the Chief Executive Officer of the Company or to the Board of Directors one or more proposals with respect to an acquisition by the Investor of all or substantially all of the assets of the Company and its subsidiaries, considered collectively, or the Company's outstanding shares of capital stock or other communication regarding whether the Board of Directors would be interested in receiving such a proposal; *provided* that the fact that the Investor is making such a proposal or the terms thereof

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would not reasonably be expected to require the Investor or the Company to make any public disclosure with respect to such proposal or any of the matters set forth in Section 3.1.

3.4. Employee Benefit Plans. The prohibitions set forth in Section 3.1(a) shall not apply to any investment in any securities of the Company by or on behalf of any pension or employee benefit plan or trust for the benefit of the Investor's or its Affiliates' current or former employees and/or its Affiliates, or interests in securities comprising part of a diversified mutual fund or broad based, publicly traded market basket or index of stocks approved for such plan or trust in which such plan or trust invests; *provided* that (a) the purpose of such investment is not to circumvent the restrictions set forth in Section 3.1 and (b) in no event shall the holdings of voting securities of the Company permitted under this paragraph equal or exceed five percent (5%) of the Company's total outstanding voting securities. Furthermore, nothing herein shall prevent the Investor or any of its Affiliates from acquiring securities of, or from entering into any merger or other business combination with, another entity which beneficially owns securities of the Company; *provided* that (i) the purpose of entering into such transaction is not to circumvent the restrictions set forth in Section 3.1 and (ii) such entity that beneficially owns securities of the Company (including any and all of such entity's successors or assigns) shall otherwise be deemed as a Standstill Party and be subject to the restrictions set forth in Section 3.1.

3.5. [***].

3.6. [***].

3.7. Use of Information. Notwithstanding anything in this Agreement to the contrary, nothing in Article 12 of the Collaboration Agreement or in this Agreement shall prohibit the Investor from using Confidential Information (as defined in the Collaboration Agreement) at any time (a) in connection with any proposal submitted by the Investor to the Company in accordance with Section 3.3 or (b) after the restrictions set forth in Section 3.1 shall have terminated as provided in Section 3.2 in connection with the Investor or any of the other Standstill Parties thereafter taking any of the actions described in Section 3.1.

4. Restrictions on Dispositions.

4.1. Lock-Up. Except as otherwise provided in this Section 4, from and after the Closing Date and until the fifth (5th) anniversary of the Closing Date (the "**Lock-Up Term**"), without the prior written approval of the Company, the Investor shall not, and shall cause its controlled Affiliates not to, Dispose of (a) any of the Purchased Shares or any shares of Common Stock beneficially owned by any Standstill Party as of the date of this Agreement, together with any shares of Common Stock issued in respect thereof as a result of any stock split, stock dividend, share exchange, merger, consolidation or similar recapitalization, and (b) any Common Stock issued as (or issuable upon the exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange or in replacement of, the shares of Common Stock described in clause (a) of this sentence; *provided*, *however*, that the foregoing shall not prohibit the Investor from transferring any of the foregoing to (i) a Permitted Transferee; *provided* that the Permitted Transferee agrees to be bound in

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writing by this Agreement and the Investor shall remain bound by all of its obligations under this Agreement; or (ii) to the Company.

4.2. Sale Limitations. Subject to the restrictions set forth in Section 4.1 above, the Investor agrees that, except for any transfer of Shares of Then Outstanding Common Stock and/or Common Stock Equivalents by the Investor to a Permitted Transferee or the Company, it shall not, and shall cause its controlled Affiliates not to, Dispose of any Shares of Then Outstanding Common Stock and/or Common Stock Equivalents at any time after the expiration of the Lock-Up Term: (a) except (i) pursuant to a registered public offering in accordance with Section 2, (ii) in a manner consistent with Rule 144 under the Securities Act, (iii) pursuant to privately negotiated sales in transactions exempt from the registration requirements under the Securities Act except to any Person who after such acquisition would beneficially own more than five percent (5%) of the Shares of Then Outstanding Common Stock and to knowledge of the Holder, after reasonable inquiry, would report its ownership position on Schedule 13D (or successor form), or (iv) in any transaction approved in writing by the Company; or (b) to any Person that the Investor or any of its controlled Affiliates knows (after a reasonable inquiry) is a direct competitor of the Company.

4.3. Certain Transactions. Notwithstanding any other provision of this Section 4, this Section 4 shall not prohibit or restrict any Disposition of Shares of Then Outstanding Common Stock and/or Common Stock Equivalents by the Standstill Parties in connection with (a) a tender or exchange offer by or with a Third Party that the Board of Directors does not, within ten (10) Business Days after the commencement of such offer, recommend against stockholders tendering their shares of Common Stock in such offer, unless the Investor is then in breach of its obligations pursuant to Section 3.1 with respect to such transaction, (b) an issuer tender offer by the Company, or (c) any Disposition by the Standstill Parties undertaken from time to time in its sole and absolute discretion for the purpose of reducing such Party's beneficial ownership in the Company to not less than four and nine-tenths percent (4.9%) as determined for purposes of Item 5 of Schedule 13D, *provided* that any Disposition referred to in this clause (c) shall be subject to the restrictions and requirements set forth in Section 4.2.

4.4. Offering Lock-Up. The Holders shall, if requested in good faith by the Company and an underwriter of Common Stock in connection with any public offering involving an underwriting of Common Stock of the Company for the Company's own account, agree not to Dispose of any Shares of Then Outstanding Common Stock and/or Common Stock Equivalents for a specified period of time, such period of time not to exceed thirty (30) days (a "**Lock-Up Agreement**"), *provided* that such agreement shall not restrict the Holder's ability to Dispose of any Shares of Then Outstanding Common Stock and/or Common Stock Equivalents in accordance with Section 4.3 or to a Permitted Transferee in accordance with Section 4.1. Any Lock-Up Agreement shall be in writing in a form reasonably satisfactory to the Company, the managing underwriter(s) in such offering and the Holders. The Company may impose stop transfer instructions with respect to the Shares of Then Outstanding Common Stock and Common Stock Equivalents subject to the foregoing restrictions until the end of the specified period of time. The foregoing provisions of this Section 4.4 shall not apply (a) if the Holders

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collectively own less than five percent (5%) of the Shares of Then Outstanding Common Stock and/or Common Stock Equivalents, or (b) to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall be applicable to the Investors only if all officers and directors and all stockholders beneficially owning (individually or as a "group" (within the meaning of Section 13(d)(3) of the Exchange Act)) more than five percent (5%) of the outstanding Common Stock are subject to the same restriction. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply *pro rata* to the Investor, based on the number of shares subject to such agreements, excluding any waivers granted that fall within a customary *de minimis* exceptions set forth in the associated Lock-Up Agreement, which customary exceptions also shall apply to the Holders including, but not limited to, a distribution that is not a sale transaction and sales and distributions not required to be reported on Form 4.

4.5. Transactions for Personal Account. For the avoidance of doubt, nothing in this Section 4 will restrict any Disposition of shares of Common Stock held by an executive officer or director of the Investors for his or her personal account.

4.6. Legend. For so long as the Purchased Shares are subject to any of the restrictions set forth in this Section 4, the book-entry or certificated form of the Purchased Shares shall bear a legend in substantially for following form:

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFER INCLUDING LOCK-UP PERIODS AS SET FORTH IN AN INVESTOR AGREEMENT BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF THESE SECURITIES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY. SUCH LOCK-UP PERIODS MAY BE BINDING ON CERTAIN TRANSFEREES OF THESE SECURITIES.

The legend shall be removed upon the expiration or termination of the restrictions set forth in this Section 4 pursuant to Section 6.3 (and, for the avoidance of doubt, immediately prior to any such termination) or upon the transfer in accordance with the terms of this Agreement to any Person that is not subject to the transfer and other restrictions set forth in this Agreement.

5. Voting Agreement.

5.1. Voting of Securities. During the Standstill Term, other than as permitted by Section 5.3 with respect to a Qualified Change of Control, in any vote or action by written consent of the stockholders of the Company (including, without limitation, with respect to the election of directors), the Investor shall, and shall cause its controlled Affiliates to, vote or execute a written consent with respect to all of the voting securities of the Company as to which it and such controlled Affiliates are entitled to vote or execute a written consent in accordance with the recommendation of the Board of Directors.

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5.2. Irrevocable Proxy. In furtherance of Section 5.1, and subject to Section 5.3, the Investor hereby irrevocably appoints the Company and its designees, and each of them, as attorneys, agents and proxies, with full power of substitution, for the Investor, and in the name, place and stead of the Investor, to vote (or cause to be voted) in such manner as set forth in Section 5.1 with respect to all of the voting securities of the Company as to which the Investor is or may be entitled to vote at any meeting of the Company held after the date hereof, whether annual or special and whether or not an adjourned meeting (the "**Irrevocable Proxy**"). The Irrevocable Proxy is coupled with an interest, shall be irrevocable and binding on any successor in interest of the Investor and shall not be terminated by operation of law upon the occurrence of any event. The Irrevocable Proxy shall operate to revoke and render void any prior proxy as to any securities of the Company heretofore granted by the Investor that is inconsistent herewith. Notwithstanding the foregoing, the Irrevocable Proxy shall be effective only during the Standstill Term and if (and only if), at any annual or special meeting of the stockholders of the Company and at any adjournments or postponements of any such meetings, the Investor (A) fails to appear or otherwise fails to cause any securities of the Company to be counted as present for purposes of calculating a quorum or (B) fails to vote such securities of the Company in accordance with Section 5.1, in each case at least five (5) Business Days prior to the date of such stockholders' meeting. The Irrevocable Proxy shall terminate upon the earlier of the expiration or termination of the voting agreement set forth in Section 5.1.

5.3. Qualified Change of Control. The Investor and its Affiliates may vote, or execute a written consent, with respect to all of the voting securities of the Company as to which it and such Affiliates are entitled to vote or execute a written consent, as they may determine in their sole and absolute discretion, with respect to any transaction, the consummation of which would result in a Qualified Change of Control.

5.4. Legend. For so long as the Purchased Shares are subject to any of the restrictions set forth in this Section 5, the book-entry or certificated form of the Purchased Shares shall bear a legend in substantially for following form:

> **THESE SECURITIES ARE SUBJECT TO CERTAIN VOTING RESTRICTIONS AS SET FORTH IN AN INVESTOR AGREEMENT BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF THESE SECURITIES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY. SUCH VOTING RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SECURITIES.**

The legend shall be removed upon the expiration or termination of the restrictions set forth in this Section 5 pursuant to Section 6.3 (and, for the avoidance of doubt, immediately prior to any such termination), or upon the transfer in accordance with the terms of this Agreement to any Person that is not subject to the transfer and other restrictions set forth in this Agreement.

6. Termination of Certain Rights and Obligations.

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6.1. Termination of Registration Rights. For the avoidance of doubt, it is expressly agreed and understood that (a) in the event that there are no Registrable Securities outstanding as of a Filing Date, then the Company shall have no obligation to file, caused to be declared effective or to keep effective any Registration Statement hereunder (including any Registration Statement previously filed pursuant to this Agreement) and (b) all registration rights granted to the Holders hereunder (including the rights set forth in Sections 2.5(e)) shall terminate in their entirety effective on the first date on which (x) there shall cease to be any Registrable Securities outstanding or (y) the Investor and its Affiliates together own less than one half of a percent (0.5%) of the Shares of Then Outstanding Common Stock. If not previously terminated pursuant to the foregoing sentence, it is expressly agreed and understood that all registration rights granted to the Holders pursuant to this Agreement shall terminate as to each Holder on the earlier of (i) the expiration of the Registration Term or (ii) the expiration of the Effectiveness Period. In the event that the Company determines that the registration rights granted to the Holders hereunder have terminated as to any Holder, it shall notify such Holder of such determination, which notice shall set forth in reasonable detail the basis for such determination; provided, that the failure to provide any such notice shall not affect whether any Registrable Securities are outstanding. For the avoidance of doubt, it is expressly agreed and understood that the Company's determination of whether such registration rights shall have terminated shall not be deemed to be conclusive or determinative of such matter.

6.2. Termination of Standstill Agreement. In addition to the termination contemplated by Section 3.2, Section 3 shall terminate and have no further force or effect, upon the earliest to occur of:

(a) the date on which Common Stock ceases to be registered pursuant to Section 12 of the Exchange Act; and

(b) a liquidation or dissolution of the Company.

6.3. Termination of Restrictions on Dispositions and Voting Agreement. Section 4 and Section 5 shall terminate and have no further force or effect upon the earliest to occur of:

(a) the consummation of a Change of Control;

(b) a liquidation or dissolution of the Company; and

(c) the date on which the Common Stock ceases to be registered pursuant to Section 12 of the Exchange Act.

6.4. Effect of Termination. No termination pursuant to any of Sections 6.1, 6.2 and 6.3 shall relieve any of the parties (or the Permitted Transferee, if any) for liability for a material breach of or default under any of their respective obligations or restrictions under any terminated provision of this Agreement, which breach or default arose out of events or circumstances occurring or existing prior to the date of such termination.

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7. Miscellaneous.

7.1. Governing Law. This Agreement and all claims relating to or arising out of this Agreement or the breach thereof shall be governed by and construed in accordance with internal laws of the State of Delaware, excluding any choice of law rules that may direct the application of the laws of another jurisdiction.

7.2. No Waiver; Modifications. It is agreed that no waiver by a Party hereto of any breach or default of any of the covenants or agreements set forth herein shall be deemed a waiver as to any subsequent or similar breach or default. The failure of either Party to insist on the performance of any obligation hereunder shall not be deemed a waiver of any such obligation. No amendment, modification, waiver, release or discharge to this Agreement shall be binding upon the Parties unless in writing and duly executed by authorized representatives of both Parties.

7.3. Notices. Any consent, notice, report or other communication required or permitted to be given or made under this Agreement by one of the Parties to the other Party will be delivered in writing by one of the following means and be effective: (a) upon receipt, if delivered personally; (b) when sent, if sent via e-mail (*provided* that such sent e-mail is kept on file (whether electronically or otherwise) by the sending Party and the sending Party does not immediately receive an automatically generated message from the recipient's e-mail server that such e-mail could not be delivered to such recipient); (c) when sent, if sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending Party); or (d) when delivered by a reputable, commercial overnight courier; provided in all cases addressed to such other Party at its address indicated below, or to such other address as the addressee will have last furnished in writing to the addressor and will be effective upon receipt by the addressee.

If to the Company:

Nektar Therapeutics
455 Mission Bay Boulevard South
San Francisco, CA 94158
Attention: Senior Vice President & General Counsel

with a copy (which shall not constitute notice) to:

Sidley Austin LLP
1001 Page Mill Road, Building 1, Suite 100
Palo Alto, California 94304
Attention: Sam Zucker and Ruchun Ji
Facsimile: (650) 565-7100
e-mail: szucker@sidley.com, rji@sidley.com

If to the Investor:

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Bristol-Myers Squibb Company
345 Park Avenue
New York, New York 10154-0037
Attention: Executive Vice President and General Counsel
Facsimile No.: [***]

with a copy (which shall not constitute notice) to:

Bristol-Myers Squibb Pharmaceuticals Group
Route 206 & Province Line Road
Princeton, New Jersey 08543
Attention: Senior Vice President and Deputy General Counsel
Transactional Practice Group
Facsimile: [***]
e-mail: [***]

Written confirmation of receipt (ii) given by the recipient of such notice, (iii) mechanically or electronically generated by the sender's facsimile machine containing the time, date and recipient facsimile number or (iii) provided by an overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from an overnight courier service in accordance with clause (a), (c) or (d) above, respectively. A copy of the e-mail transmission containing the time, date and recipient e-mail address shall be rebuttable evidence of receipt by e-mail in accordance with clause (b) above.

7.4. Entire Agreement. This Agreement, the Purchase Agreement and the Collaboration Agreement contain the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all prior and contemporaneous arrangements or understandings, whether written or oral, with respect hereto and thereto.

7.5. Headings; Nouns and Pronouns; Section References. Headings in this Agreement are for convenience of reference only and shall not be considered in construing this Agreement. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of names and pronouns shall include the plural and vice-versa. References in this Agreement to a section or subsection shall be deemed to refer to a section or subsection of this Agreement unless otherwise expressly stated.

7.6. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of a Party under this Agreement will not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, the Parties shall negotiate in good faith a substitute

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as possible and as reasonably acceptable to the Parties.

7.7. Assignment. Neither this Agreement nor any rights or duties of a party hereto may be assigned by such party, in whole or in part, without (a) the prior written consent of the Company in the case of any assignment by the Investor, except as provided pursuant to this Agreement with respect to the Investor's assignment to a Permitted Transferee; or (b) the prior written consent of the Investor in the case of an assignment by the Company.

7.8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. For the avoidance of doubt, the Successor Affiliates shall constitute successors to the Investor and the Investor and the Successor Affiliates shall be jointly and severally liable for their obligations hereunder.

7.9. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such executed signature page shall create a valid and binding obligation of the Party executing it (or on whose behalf such signature page is executed) with the same force and effect as if such executed signature page were an original thereof.

7.10. No Benefit to Third Parties. None of the provisions of this Agreement shall be for the benefit of or enforceable by any Third Party other than any Affiliate of the Investor. No Third Party with the exception of any Affiliate of the Investor shall obtain any right under any provision of this Agreement or shall by reason of any such provision make any claim in respect of any debt, liability or obligation (or otherwise) against any party hereto.

7.11. No Strict Construction. This Agreement has been prepared jointly and shall not be strictly construed against either Party. No presumption as to construction of this Agreement shall apply against either Party with respect to any ambiguity in the wording of any provision(s) of this Agreement irrespective of which Party may be deemed to have authored the ambiguous provision(s).

7.12. Remedies. The rights, powers and remedies of the parties under this Agreement are cumulative and not exclusive of any other right, power or remedy which such parties may have under any other agreement or Law. No single or partial assertion or exercise of any right, power or remedy of a party hereunder shall preclude any other or further assertion or exercise thereof.

7.13. Specific Performance. The Company and the Investor hereby acknowledge and agree that the rights of the parties hereunder are special, unique and of extraordinary character, and that if any party refuses or otherwise fails to act, or, in the case of the Investor, to cause its controlled Affiliates to act, in accordance with the provisions of this

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Agreement, such refusal or failure would result in irreparable injury to the Company or the Investor, as the case may be, the exact amount of which would be difficult to ascertain or estimate and the remedies at law for which would not be reasonable or adequate compensation. Accordingly, if any party refuses or otherwise fails to act, or, in the case of the Investor, to cause its controlled Affiliates to act, in accordance with the provisions of this Agreement, then, in addition to any other remedy which may be available to any damaged party at law or in equity, such damaged party will be entitled to specific performance and injunctive relief, without posting bond or other security, and without the necessity of proving actual or threatened damages, which remedy such damaged party will be entitled to seek in any court of competent jurisdiction.

7.14. No Conflicting Agreements. The Investor hereby represents and warrants to the Company that neither it nor any of its controlled Affiliates is, as of the date of this Agreement, a party to, and agrees that neither it nor any of its controlled Affiliates shall, on or after the date of this Agreement, enter into any agreement that conflicts with the rights granted to the Company in this Agreement. The Company hereby represents and warrants to each Holder that it is not, and none of its controlled Affiliates are, as of the date of this Agreement, a party to, and agrees that it and its controlled Affiliates shall not, on or after the date of this Agreement, enter into, any agreement or approve any amendment to its or their Organizational Documents (as defined in the Purchase Agreement) with respect to its securities that conflicts with the rights granted to the Holders in this Agreement. The Company further represents and warrants that the rights granted to the Holders hereunder do not in any way conflict with the rights granted to any other holder of the Company's securities under any other agreements.

[*Remainder of page intentionally left blank; signature page follows.*]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first above written.

Nektar Therapeutics

By: /s/ Gil M. Labrucherie
Name: Gil M. Labrucherie
Title: Senior Vice President and Chief Financial Officer

Bristol-Myers Squibb Company

By: /s/ Giovanni Caforio
Name: Giovanni Caforio
Title: Chairman and Chief Executive Officer

ANNEX A

PLAN OF DISTRIBUTION

PLAN OF DISTRIBUTION

We are registering the shares of common stock issued to the selling stockholders to permit the resale of these shares of common stock by the holders of the shares of common stock from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale by the selling stockholders of the shares of common stock. We will bear all fees and expenses incident to our obligation to register the shares of common stock.

The selling stockholders and any of their permitted transferees (as set forth in the investor agreement) may, from time to time, sell all or a portion of the shares of common stock beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If the shares of common stock are sold through underwriters or broker-dealers, the selling stockholders will be responsible for underwriting discounts or commissions or agent's commissions. The shares of common stock may be sold on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale, in the over-the-counter market or in transactions otherwise than on these exchanges or systems or in the over-the-counter market and in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions. The selling stockholders may use any one or more of the following methods when selling shares:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- through brokers, dealers or underwriters that may act solely as agents;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- broker-dealers may agree with the selling stockholders to sell a specified number of such shares at a stipulated price per share;
- through the writing or settlement of options or other hedging transactions, whether such options are listed on an options exchange or otherwise;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The selling stockholders also may resell all or a portion of the shares in open market transactions in reliance upon Rule 144 under the Securities Act, as permitted by that rule, or Section 4(a)(1) under the Securities Act, if available, rather than under this prospectus, provided that they meet the criteria and conform to the requirements of those provisions.

Broker-dealers engaged by the selling stockholders may arrange for other broker-dealers to participate in sales. If the selling stockholders effect such transactions by selling shares of common stock to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling stockholders or commissions from purchasers of the shares of common stock for whom they may act as agent or to whom they may sell as principal. Such commissions will be in amounts to be negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction will not be in excess of a customary brokerage commission in compliance with FINRA Rule 2121 (and any successor); and in the case of a principal transaction a markup or markdown in compliance with FINRA Rule 2121.01.

In connection with sales of the shares of common stock or otherwise, the selling stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the shares of common stock in the course of hedging in positions they assume. The selling stockholders may also sell shares of common stock short and if such short sale shall take place after the date that the registration statement

of which this prospectus is a part is declared effective by the Commission, the selling stockholders may deliver shares of common stock covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling stockholders may also loan or pledge shares of common stock to broker-dealers that in turn may sell such shares, to the extent permitted by applicable law. The selling stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction). Notwithstanding the foregoing, the selling stockholders have been advised that they may not use shares registered on the registration statement of which this prospectus forms a part to cover short sales of our common stock made prior to the date the registration statement, of which this prospectus forms a part, has been declared effective by the Commission.

The selling stockholders may, from time to time, pledge or grant a security interest in some or all of the shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of common stock from time to time pursuant to this prospectus or any amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act, as amended, amending, if necessary, the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus. The selling stockholders also may transfer and donate the shares of common stock in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

Each selling stockholder has informed us that it is not a registered broker-dealer and does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the common stock. Upon our being notified in writing by a selling stockholder that any material arrangement has been entered into with a broker-dealer for the sale of common stock through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, a supplement to this prospectus will be filed, if required, pursuant to Rule 424(b) under the Securities Act, disclosing:

- the name of each such selling stockholder and of the participating broker-dealer(s),
- the number of shares involved,
- the price at which such the shares of common stock were sold,
- the commissions paid or discounts or concessions allowed to such broker-dealer(s), where applicable,
- that such broker-dealer(s) did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus, and
- other facts material to the transaction.

Under the securities laws of some states, the shares of common stock may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the shares of common stock may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

There can be no assurance that any selling stockholder will sell any or all of the shares of common stock registered pursuant to the registration statement, of which this prospectus forms a part.

Each selling stockholder and any other person participating in such distribution will be subject to applicable provisions of the Exchange Act, as amended, and the rules and regulations thereunder, including, without limitation, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the shares of common stock by the selling stockholder and any other participating person. Regulation M may also restrict the ability of any person engaged in the distribution of the shares of common stock to engage in market-making activities with respect to the shares of common stock. All of the foregoing may affect the marketability of the shares of common stock and the ability of any person or entity to engage in market-making activities with respect to the shares of common stock.

We will pay all expenses of the registration of the shares of common stock pursuant to the investor agreement, including, without limitation, Securities and Exchange Commission filing fees and expenses of compliance with

state securities or "blue sky" laws; *provided*, *however*, that each selling stockholder will pay all underwriting discounts and selling commissions, if any. We will indemnify the selling stockholders against certain liabilities, including some liabilities under the Securities Act, in accordance with an investor agreement, or the selling stockholders will be entitled to contribution. We may be indemnified by the selling stockholders against civil liabilities, including liabilities under the Securities Act, that may arise from any written information furnished to us by the selling stockholders specifically for use in this prospectus, in accordance with the related investor agreements, or we may be entitled to contribution.

ANNEX B

SELLING STOCKHOLDER QUESTIONNAIRE

SELLING STOCKHOLDER NOTICE AND QUESTIONNAIRE

Name of Selling Stockholder (please print)

NEKTAR THERAPEUTICS

IMPORTANT: IMMEDIATE ATTENTION REQUIRED

This Questionnaire is being furnished to Bristol-Myers Squibb Company, a Delaware corporation (the "Investor"), in connection with the purchase of shares of Common Stock ("Common Stock") of Nektar Therapeutics, a Delaware corporation (the "Company"), pursuant to the Share Purchase Agreement dated as of February 13, 2018, by and between the Company and the Investor (the "Purchase Agreement"). This Questionnaire relates to certain information required to be disclosed in the Registration Statement on Form S-[●] being prepared by the Company for filing with the United States Securities and Exchange Commission (the "SEC") pursuant to the Investor Agreement entered into by and between the Company and the Investor (the "Investor Agreement"), to which this Questionnaire is an Exhibit. **The Company must receive a completed Questionnaire from the Investor in order to include the Investor's shares of Common Stock in the Registration Statement.**

The furnishing of accurate and complete responses to the questions posed in this Questionnaire is an extremely important part of the registration process. The inclusion of inaccurate or incomplete disclosures in the Registration Statement can result in potential liabilities, both civil and criminal, to the Company and to the individuals who furnish the information. Accordingly, the Investor is advised to consult its own securities law counsel regarding the consequences of being named or not being named as a selling securityholder in the Registration Statement and related prospectus.

PLEASE GIVE A RESPONSE TO EVERY QUESTION, indicating "None" or "Not Applicable" where appropriate. **Please complete, sign, and return one copy of this Questionnaire by facsimile, email or overnight courier as soon as possible.**

Sidley Austin LLP
1001 Page Mill Road Building 1
Palo Alto, CA 94304
Attention:
Facsimile: (650) 565-7100
Email:

Unless stated otherwise, answers should be given as of the date you complete this Questionnaire. However, it is your responsibility to inform us of any changes that may occur to your situation. If there is any situation about which you have any doubt, or if you are uncertain as to the meaning of any terms used in this Questionnaire, please contact _____ at: _____.

STOCK OWNERSHIP

Beneficial Ownership.

Deemed Beneficial Ownership. Please state the amount of securities of the Company you own on the date you complete this Questionnaire. (If none, please so state in each case.)

Amount Beneficially Owned[1]	Number of Shares of Common Stock Owned
Please state the number of shares owned by you or by family members, trusts and other organizations with which you have a relationship, and any other shares of which you may be deemed to be the "beneficial owner"[1]:	
Total Shares:	
Of such shares:	
Shares as to which you have sole voting power:	
Shares as to which you have shared voting power:	
Shares as to which you have sole investment power:	
Shares as to which you have shared investment power:	
Shares which you will have a right to acquire within 60 days after the date you complete this questionnaire through the exercise of options, warrants or otherwise:	

[1] Beneficial Ownership. You are the beneficial owner of a security, as defined in Rule 13d-3 under the Securities Exchange Act of 1934 (the "Exchange Act"), if you, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise have or share: (1) voting power, which includes the power to vote, or to direct the voting of, such security, and/or (2) investment power, which includes the power to dispose, or to direct the disposition of, such security. You are also the beneficial owner of a security if you, directly or indirectly, create or use a trust, proxy, power of attorney, pooling arrangement or any other contract, arrangement or device with the purpose or effect of divesting yourself of beneficial ownership of a security or preventing the vesting of such beneficial ownership as part of a plan or scheme to evade the reporting requirements of section 13(d) or (g) of the Exchange Act.

You are deemed to be the beneficial owner of a security if you have the right to acquire beneficial ownership of such security at any time within 60 days including, but not limited to, any right to acquire such security (a) through the exercise

Ordinarily, shares held in the name of your spouse or minor child should be considered as beneficially owned by you absent special circumstances to indicate that you do not have, as a practical matter, voting power or investment power over

This definition of beneficial ownership is very broad; therefore, even though you may not actually have or share voting or investment power with respect to securities owned by persons in your family or living in your home, you should inclu

Disclaimer of Beneficial Ownership. Do you wish to disclaim beneficial ownership[1] of any of the shares reported in response to Item 1(a)?

Answer:

If the answer is "Yes," please furnish the following information with respect to the person or persons who should be shown as the beneficial owner(s)[1] of the shares in question.

Name and Address of Actual Beneficial Owner	Relationship of Such Person To You	Number of Shares Beneficially Owned

Shared Voting or Investment Power over Securities. Will any other person be deemed to have beneficial ownership over any of the Securities purchased by you pursuant to the Purchase Agreement?

Answer:

If the answer is "Yes," please furnish the following information with respect to the person or persons who should be shown as the beneficial owner(s)[1] of the Securities in question.

Name and Address of Actual Beneficial Owner	Relationship of Such Person To You	Number of Shares Beneficially Owned

Relationship with the Company. Please state the nature of any position, office or other material relationship you have, or have had within the past three years, with the Company or its affiliates.

Name	Nature of Relationship

Broker-Dealer Status. Is the Investor a broker-dealer registered pursuant to Section 15 of the Exchange Act?

☐ Yes.

☐ No.

Note that the Company will be required to identify any registered broker-dealer as an underwriter in the prospectus.

If so, please answer the remaining questions in this section.

If the Investor is a registered broker-dealer, please indicate whether the Investor purchased its Common Stock for investment or acquired them as transaction-based compensation for investment banking or similar services.

Answer:

Note: if the Investor is a registered broker-dealer and received its Common Stock other than as transaction-based compensation, the Company is required to identify the Investor as an underwriter in the Registration Statement and related prospectus.

Is the Investor an affiliate of a registered broker-dealer? For purposes of this Question, an "affiliate" of a specified person or entity means a person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person or entity specified.

☐ Yes.

☐ No.

If so, please answer the remaining questions in this section.

Please describe the affiliation between the Investor and any registered broker-dealers:

If the Common Stock were received by the Investor other than in the ordinary course of business, please describe the circumstances:

If the Investor, at the time of its receipt of Common Stock, has had any agreements or understandings, directly or indirectly, with any person to distribute the Common Stock, please describe such agreements or understandings:

Note that if the Investor is an affiliate of a broker-dealer and did not receive its Common Stock in the ordinary course of business or at the time of receipt had any agreements or understandings, directly or indirectly, to distribute the securities, the Company must identify the Investor as an underwriter in the prospectus.

Nature of Beneficial Holding. The purpose of this question is to identify the ultimate natural person(s) or publicly held entity that exercise(s) sole or shared voting or dispositive power over the Registrable Securities (as defined in the Investor Agreement).

Is the Investor a natural person?

☐ Yes.

☐ No.

Is the Investor required to file, or is it a wholly owned subsidiary of a company that is required to file, periodic and other reports (for example, Form 10-K, 10-Q, 8-K) with the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act?

☐ Yes.

☐ No.

Is the Investor an investment company, or a subsidiary of an investment company, registered under the Investment Company Act of 1940, as amended?

☐ Yes.

☐ No.

If a subsidiary, please identify the publicly held parent entity:

If you answered "no" to questions (a), (b) and (c) above, please identify the controlling person(s) of the Investor (the "Controlling Entity"). If the Controlling Entity is not a natural person or a publicly held entity, please identify each controlling person(s) of such Controlling Entity. This process should be repeated until you reach natural persons or a publicly held entity that exercises sole or shared voting or dispositive power over the Registrable Securities:

*****PLEASE NOTE THAT THE SEC REQUIRES THAT THESE NATURAL PERSONS BE NAMED IN THE PROSPECTUS*****

CERTAIN TRANSACTIONS

Transactions with the Company. If you, any of your associates[2], or any member of your immediate family[3] had or will have any direct or indirect material interest in any transactions[4] or series of transactions to which the

[2] Associate. The term "associate," as defined in Rule 14a-1 under the Exchange Act, means (a) any corporation or organization (other than the Company or any of its majority owned subsidiaries) of which you are an officer or partner or are, directly or indirectly, the beneficial owner of 10% or more of any class of equity securities, (b) any trust or other estate in which you have a substantial beneficial interest or as to which you serve as trustee or in a similar capacity, and (c) your spouse, or any relative of yours or relative of your spouse living in your home or who is a director or officer of the Company or of any subsidiary. The term "relative of yours" as used in this Questionnaire refers to any relative or spouse of yours, or any relative of such spouse, who has the same home as you or who is a director or officer of any subsidiary of the Company.

Please identify your associate referred to in your answer and indicate your relationship.

[3] Immediate Family. The members of your "immediate family" are deemed to include the following: your spouse; your parents; your children; your siblings; your mother-in-law or father-in-law; your sons- and daughters-in-law; and your brothers- and sisters-in-law.

[4] Transactions. The term "transaction" is to be understood in its broadest sense, and includes the direct or indirect receipt of anything of value. Please note that indirect as well as direct material interests in transactions are to be disclosed. Transactions in which you would have a direct interest would include your purchasing or leasing anything (stock in a business acquired by the Company, office space, plants, Company apartments, computers, raw materials, finished goods, etc.) from or selling or leasing anything to, or borrowing or lending cash or other property from or to, the Company, or any subsidiary.

Company or any of its subsidiaries was a party at any time since January 1, [ ], or in any currently proposed transactions or series of transactions in which the Company or any of its subsidiaries will be a party, in which the amount involved exceeds $120,000, please specify (a) the names of the parties to the transaction(s) and their relationship to you, (b) the nature of the interest in the transaction, (c) the amount involved in the transaction, and (d) the amount of the interest in the transaction. If the answer is "none," please so state.

Answer:

PLAN OF DISTRIBUTION

We are registering the shares of common stock issued to the selling stockholders to permit the resale of these shares of common stock by the holders of the shares of common stock from time to time after the date of this prospectus. We will not receive any of the proceeds from the sale by the selling stockholders of the shares of common stock. We will bear all fees and expenses incident to our obligation to register the shares of common stock.

The selling stockholders and any of their permitted transferees (as set forth in the investor agreement) may, from time to time, sell all or a portion of the shares of common stock beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If the shares of common stock are sold through underwriters or broker-dealers, the selling stockholders will be responsible for underwriting discounts or commissions or agent's commissions. The shares of common stock may be sold on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale, in the over-the-counter market or in transactions otherwise than on these exchanges or systems or in the over-the-counter market and in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions. The selling stockholders may use any one or more of the following methods when selling shares:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- through brokers, dealers or underwriters that may act solely as agents;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part;
- broker-dealers may agree with the selling stockholders to sell a specified number of such shares at a stipulated price per share;
- through the writing or settlement of options or other hedging transactions, whether such options are listed on an options exchange or otherwise;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The selling stockholders also may resell all or a portion of the shares in open market transactions in reliance upon Rule 144 under the Securities Act, as permitted by that rule, or Section 4(a)(1) under the Securities Act, if available, rather than under this prospectus, provided that they meet the criteria and conform to the requirements of those provisions.

Broker-dealers engaged by the selling stockholders may arrange for other broker-dealers to participate in sales. If the selling stockholders effect such transactions by selling shares of common stock to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling stockholders or commissions from purchasers of the shares of common stock for whom they may act as agent or to whom they may sell as principal. Such commissions will be in amounts to be negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction will not be in excess of a customary brokerage commission in compliance with FINRA Rule 2121 (and any successor); and in the case of a principal transaction a markup or markdown in compliance with FINRA Rule 2121.01.

In connection with sales of the shares of common stock or otherwise, the selling stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the shares of common stock in the course of hedging in positions they assume. The selling stockholders may also sell shares of common stock short and if such short sale shall take place after the date that the registration statement of which this prospectus is a part is declared effective by the Commission, the selling stockholders may deliver shares of common stock covered by this prospectus to close out short positions and to return borrowed shares in

connection with such short sales. The selling stockholders may also loan or pledge shares of common stock to broker-dealers that in turn may sell such shares, to the extent permitted by applicable law. The selling stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction). Notwithstanding the foregoing, the selling stockholders have been advised that they may not use shares registered on the registration statement of which this prospectus forms a part to cover short sales of our common stock made prior to the date the registration statement, of which this prospectus forms a part, has been declared effective by the Commission.

The selling stockholders may, from time to time, pledge or grant a security interest in some or all of the shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of common stock from time to time pursuant to this prospectus or any amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act, as amended, amending, if necessary, the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus. The selling stockholders also may transfer and donate the shares of common stock in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

Each selling stockholder has informed us that it is not a registered broker-dealer and does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the common stock. Upon our being notified in writing by a selling stockholder that any material arrangement has been entered into with a broker-dealer for the sale of common stock through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, a supplement to this prospectus will be filed, if required, pursuant to Rule 424(b) under the Securities Act, disclosing:

- the name of each such selling stockholder and of the participating broker-dealer(s),
- the number of shares involved,
- the price at which such the shares of common stock were sold,
- the commissions paid or discounts or concessions allowed to such broker-dealer(s), where applicable,
- that such broker-dealer(s) did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus, and
- other facts material to the transaction.

Under the securities laws of some states, the shares of common stock may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the shares of common stock may not be sold unless such shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

There can be no assurance that any selling stockholder will sell any or all of the shares of common stock registered pursuant to the registration statement, of which this prospectus forms a part.

Each selling stockholder and any other person participating in such distribution will be subject to applicable provisions of the Exchange Act, as amended, and the rules and regulations thereunder, including, without limitation, Regulation M of the Exchange Act, which may limit the timing of purchases and sales of any of the shares of common stock by the selling stockholder and any other participating person. Regulation M may also restrict the ability of any person engaged in the distribution of the shares of common stock to engage in market-making activities with respect to the shares of common stock. All of the foregoing may affect the marketability of the shares of common stock and the ability of any person or entity to engage in market-making activities with respect to the shares of common stock.

We will pay all expenses of the registration of the shares of common stock pursuant to the investor agreement, including, without limitation, Securities and Exchange Commission filing fees and expenses of compliance with state securities or “blue sky” laws; *provided*, *however*, that each selling stockholder will pay all underwriting discounts and selling commissions, if any. We will indemnify the selling stockholders against certain

liabilities, including some liabilities under the Securities Act, in accordance with an investor agreement, or the selling stockholders will be entitled to contribution. We may be indemnified by the selling stockholders against civil liabilities, including liabilities under the Securities Act, that may arise from any written information furnished to us by the selling stockholders specifically for use in this prospectus, in accordance with the related investor agreements, or we may be entitled to contribution.

1. * * *

The undersigned has reviewed the Plan of Distribution set forth above and does not have a present intention of effecting a sale in a manner not described therein.

_____ Agree _____ Disagree

• (If left blank, response will be deemed to be "Agree".)

The undersigned hereby represents that the undersigned understands, pursuant to Interpretation A.65 in the Securities and Exchange Commission, Division of Corporation Finance, Manual of Publicly Available Telephone Interpretations dated July 1997, a copy of which is attached hereto as Exhibit 1, that the undersigned may not make any short sale of the Common Stock prior to the effectiveness of the Registration Statement, and further covenants to the Company that the undersigned will not engage in any short sales of such stock to be registered under the Registration Statement prior to its effectiveness.

SIGNATURE

The undersigned understands that the Company anticipates filing the Registration Statement within the time frame set forth in the Investor Agreement. If at any time any of the information set forth in my responses to this Questionnaire has materially changed due to passage of time, or any development occurs which requires a change in any of my answers, or has for any other reason become incorrect, the undersigned agrees to furnish as soon as practicable to the individual to whom a copy of this Questionnaire is to be sent, as indicated and at the address shown on the first page hereof, any necessary or appropriate correcting information. Otherwise, the Company is to understand that the above information continues to be, to the best of my knowledge, information and belief, complete and correct.

Upon any sale of Common Stock pursuant to the Registration Statement, the undersigned hereby agrees to deliver to the Company and the Company's transfer agent the Certificate of Subsequent Sale set forth in Exhibit I hereto.

The undersigned understands that the information that the undersigned is furnishing to the Company herein will be used by the Company in the preparation of the Registration Statement.

Name of Investor:

Date: _____ Signature:

Print Name:

Title (if applicable):

Address:

Street

City StateZip Code

Telephone Number

Facsimile Number

Securities Act Sections Compliance and Disclosure Interpretations Section 239.10: "An issuer filed a Form S-3 registration statement for a secondary offering of common stock which is not yet effective. One of the selling shareholders wanted to do a short sale of common stock "against the box" and cover the short sale with registered shares after the effective date. The issuer was advised that the short sale could not be made before the registration statement becomes effective, because the shares underlying the short sale are deemed to be sold at the time such sale is made. There would, therefore, be a violation of Section 5 if the shares were effectively sold prior to the effective date."

CERTIFICATE OF SUBSEQUENT SALE

Computershare Inc.

RE: Sale of Shares of Common Stock of Nektar Therapeutics, a Delaware corporation (the "Company"), pursuant to the Company's Prospectus dated _____, ____ (the "Prospectus")

Dear Sir/Madam:

The undersigned hereby certifies, in connection with the sale of shares of Common Stock of the Company included in the table of Selling Stockholders in the Prospectus, that the undersigned has sold the shares pursuant to the Prospectus and in a manner described under the caption "Plan of Distribution" in the Prospectus and that such sale complies with all securities laws applicable to the undersigned, including, without limitation, the Prospectus delivery requirements of the Securities Act of 1933, as amended.

Selling Stockholder (the beneficial owner):

Record Holder (e.g., if held in name of nominee):

Book Entry Position or Restricted Stock Certificate No.(s):

Number of Shares Sold:

Date of Sale:

In the event that you receive a stock certificate(s) or evidence of a book entry position representing more shares of Common Stock than have been sold by the undersigned, then you should return to the undersigned a newly issued certificate or book entry position for such excess shares in the name of the Record Holder and **BEARING A RESTRICTIVE LEGEND**. Further, you should place a stop transfer on your records with regard to such certificate. Notwithstanding the foregoing, in the event that the undersigned executes and delivers to you and to the Company the certification set forth on Annex I, upon instructions from the Company, you should return to the undersigned a newly issued certificate or book entry position for such excess shares of Common Stock in the name of the Record Holder without any restrictive legend. In addition, no subsequent certification will be required to be delivered to you by the undersigned provided that the representations and warranties set forth on Annex I have been delivered to you and continue to be accurate.

Very truly yours,

Dated: _____ By:

Print Name:

Title:

cc_:

Annex I

In connection with any excess shares to be returned to the Selling Stockholder upon a sale of shares of Common Stock of Nektar Therapeutics, a Delaware corporation (the "Company"), included in the table of Selling Stockholders in the Prospectus, the undersigned hereby certifies to the Company and Computershare Inc., that:

1. In connection with the sale by the undersigned stockholder of any of the shares of Common Stock, the undersigned stockholder will deliver a copy of the Prospectus included in the Registration Statement to the purchaser directly or through the undersigned stockholder's broker-dealer in compliance with the requirements of the Securities Act of 1933 and the Securities Exchange Act of 1934.

2. Any such sale will be made only in the manner described under "Plan of Distribution" in the Prospectus.

3. The undersigned stockholder will only sell the shares of Common Stock while the Registration Statement is effective, unless another exemption from registration is available.

4. The Company and its attorneys may rely on this letter to the same extent as if it were addressed to them.

5. The undersigned stockholder agrees to notify you immediately of any development or occurrence which to his, her or its knowledge would render any of the foregoing representations and agreements inaccurate.

All terms not defined herein are as defined in the Investor Agreement entered into on _____, 2018, by and between the Company and the Investor.

Very truly yours,

Dated: _____ By:

Print Name:

Title:

Exhibit 10.1

STRATEGIC COLLABORATION AGREEMENT

BY AND BETWEEN

NEKTAR THERAPEUTICS

AND

BRISTOL-MYERS SQUIBB COMPANY

DATED FEBRUARY 13, 2018

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

TABLE OF CONTENTS

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STRATEGIC COLLABORATION AGREEMENT

This **STRATEGIC COLLABORATION AGREEMENT** (the "***Agreement***") is entered into as of February 13, 2018 (the "***Execution Date***"), and effective as of the Effective Date, by and between Nektar Therapeutics, a Delaware corporation, headquartered at 455 Mission Bay Boulevard South, Suite 100, San Francisco, California 94158 ("***Nektar***"), and Bristol-Myers Squibb Company, a Delaware corporation, headquartered at 345 Park Avenue, New York, New York, 10154 ("***BMS***"). Nektar and BMS may be referred to herein individually as a "***Party***," or collectively as the "***Parties***."

RECITALS

WHEREAS, Nektar controls certain Patent Rights, Technology and other rights related to the Nektar Compounds (as defined below), and has expertise in research and development of large and small molecule therapeutic products;

WHEREAS, BMS is a biopharmaceutical company engaged in the research, development, manufacture and commercialization of human therapeutic products;

WHEREAS, pursuant to that certain Clinical Trial Collaboration Agreement, dated September 21, 2016, by and between Nektar and BMS (the "***Clinical Trial Agreement***"), Nektar and BMS have collaborated on one or more clinical trials of a combination therapy using Nektar's IL2-based CD122-biased agonist, known as "***NKTR-214***", and BMS's human monoclonal antibody that binds PD-1 known as "***Nivolumab***;"

WHEREAS, the Parties desire to collaborate in the further Development of NKTR-214 in the Field (as defined below) to the extent set forth herein, which, if successfully developed in accordance with this Agreement, will be jointly commercialized by the Parties, all subject to the terms and conditions set forth herein; and

WHEREAS, Nektar and BMS desire to enter into the transaction contemplated by this Agreement, which will supersede and replace the Clinical Trial Agreement.

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

ARTICLE 1

DEFINITIONS

The terms in this Agreement with initial letters capitalized shall have the meaning set forth below or, if not listed below, the meaning designated in places throughout this Agreement.

1.1 "***Affiliate***" shall mean, with respect to a particular Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such particular Person, but only for so long as such Person meets the

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definition of Affiliate hereunder. As used in this section, the term "controls" (with correlative meanings for the terms "controlled by" or "under common control with") means (a) that a Person owns, directly or indirectly, more than fifty percent (50%) of the voting stock of another Person, or (b) that such Person otherwise has the actual ability to control and direct the management of the other Person, whether by contract or otherwise.

1.2 "***Aggregate Safety Information***" shall mean, with respect to a Party's Single Agent Compound, the (a) safety and toxicity information for such Single Agent Compound that is Collaboration Study Data, plus (b) safety and toxicity information from all other clinical trials of such Single Agent Compound, whether alone or in combination with another pharmaceutical agent, in each case including information related to Serious Adverse Events, adverse drug reactions, adverse events, discontinuations due to adverse events and Grade 3 and Grade 4 laboratory abnormalities. Aggregate Safety Information shall be provided by a Party to the other in the same format as is contained in the investigators' brochures prepared by such Party for its Single Agent Compound in each country where a Collaboration Study will be conducted.

1.3 "***Agreement***" shall have the meaning set forth in the preamble to this Agreement, as it may be amended by the Parties from time to time.

1.4 "***Agreement Wind-Down Period***" has the meaning set forth in Section 16.6(b)(iii).

1.5 "***Alliance Manager***" has the meaning set forth in Section 3.5.

1.6 "***Allowable Delays***" shall mean reasonable delays for a Collaboration Study, including as a result of (a) interactions with Regulatory Authorities and changes to any Collaboration Study resulting therefrom, (b) Material Safety Issues, (c) Product or compound supply issues, (d) [***], and (e) [***].

1.7 "***Allowable Commercialization Expenses***" shall mean those expenses (a) incurred in connection with the Commercialization of the Products pursuant to the Commercialization Plan and Budget and (b) that are consistent with the approved Commercialization Plan and Budget and are specifically attributable to Products, and shall consist of (i) Cost of Goods Sold, (ii) Marketing Expenses, (iii) Distribution Expenses, and (iv) Post-Approval Regulatory Expenses. The JFC shall establish procedures for the calculation of Allowable Commercialization Expenses, including proper allocation of FTE costs to the extent that such FTEs promote other products (including the allocation of sales force effort between first, second and third position detail) or otherwise engage in activities not solely related to the Commercialization of the Product. For clarity, subject to Section 9.5, each Party shall be responsible for and solely bear any Commercialization expenses not contemplated in, or in excess of the agreed amounts set forth in, the approved Commercialization Plan and Budget.

1.8 "***Applicable Law***" shall mean all applicable laws, rules and regulations (whether supra-national, federal, state or local) that may be in effect from time to time and applicable to

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conduct under this Agreement, including current Good Clinical Practices, Good Laboratory Practices and Good Manufacturing Practices.

1.9 "***Arbitration Matter***" shall mean any Dispute, other than a Commercial/Financial Dispute and a JDC Dispute referred to in Section 3.7(b); *provided that* such Dispute has been considered, but not resolved, by the Executive Officers as set forth in Section 15.1(a). For clarity, neither a JDC Dispute, nor any matter hereunder for which final decision making authority is granted to one Party or the other, nor any Publication Dispute, nor any other matter expressly requiring mutual agreement of both Parties shall be an Arbitration Matter.

1.10 "***Bioanalysis Plan***" shall mean the bioanalysis plan for any Samples as may be contemplated by a Collaboration Study, Protocol or another subsequent written agreement between the Parties.

1.11 "***BLA***" shall mean (a) a Biologic License Application (or, if applicable, New Drug Application ("***NDA***") or 505(b)(2)) submitted and filed with the FDA (or successor regulatory agency) necessary for approval of a drug or biologic in connection with the commercial sale or use of such drug or biologic in conformance with Applicable Laws in the United States or (b) the equivalent application submitted to another Regulatory Authority.

1.12 "***BMS***" shall have the meaning set forth in the preamble to this Agreement.

1.13 "***BMS Asset Invention***" shall mean any invention or Technology that is made, conceived, or first actually reduced to practice by or on behalf of a Party, or by or on behalf of the Parties jointly (including by a Third Party in the performance of a Collaboration Study or an Independent Study), in the performance of the Collaboration Studies or in the performance of an Independent Study (which Independent Study may be led by either Party) *and* that relates to (a) the composition of matter or formulation of one or more BMS Assets as sole active ingredients, (b) a method of manufacture or formulating of one or more BMS Assets as a single agent or in combination with another BMS Asset (but not a Nektar Asset or Third Party Asset), or (c) a method of use of any BMS Asset as a monotherapy or in combination with another BMS Asset (but not a Nektar Asset or Third Party Asset).

1.14 "***BMS Asset Patent Rights***" shall mean any Patent Rights that Cover any BMS Asset Invention or BMS Study Data, excluding BMS Background Patent Rights, Joint Collaboration Patent Rights and Joint Third Party Patent Rights.

1.15 "***BMS Assets***" shall mean all compounds Controlled by BMS or any of its Affiliates (or, solely in relation to the BMS/Ono Territory and the BMS Compound, Ono), including the BMS Compound.

1.16 "***BMS Background Patent Rights***" shall mean any Patent Rights Controlled by BMS (or its Affiliates) as of the Effective Date, and during the Term through efforts outside the scope of this Agreement, that Cover the use (whether alone or in combination with other agents),

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manufacture, formulation or composition of matter of any BMS Assets, but which do not comprise a BMS Asset Invention, a Joint Collaboration Invention, or a Joint Third Party Invention.

1.17 "***BMS Combination***" shall mean a combination of a Product, one or more BMS Asset and/or one or more Third Party Asset (but no other Nektar Asset), but in each instance as single agent formulations in the combination, for use in the Field.

1.18 "***BMS Combination Commercialization Option***" has the meaning set forth in Section 8.12(a).

1.19 "***BMS Compound***" shall mean BMS's proprietary anti-PD-1 monoclonal antibody known as Nivolumab and Opdivo®.

1.20 "***BMS Indemnitees***" has the meaning set forth in Section 14.2.

1.21 "***BMS/Ono Territory***" shall mean Japan, South Korea and Taiwan.

1.22 "***BMS Regulatory Documentation***" shall mean any Regulatory Documentation related to any BMS Asset that exists as of the Effective Date or that is created during the Term through efforts outside the scope of this Agreement.

1.23 "***BMS Share of Net Profit***" has the meaning set forth in Section 9.4(a).

1.24 "***BMS Study Data***" has the meaning set forth in Section 10.5.

1.25 "***BMS Successor***" has the meaning set forth in the definition of Change of Control.

1.26 "***BMS Technology***" shall mean all Technology Controlled by BMS (or its Affiliates) as of the Effective Date or during the Term through efforts outside the scope of this Agreement related to any BMS Asset and necessary or reasonably useful, as determined by BMS, for the conduct of Collaboration Studies or Independent Studies. For clarity, BMS Technology does not include (a) Joint Collaboration Inventions, (b) Joint Third Party Inventions, (c) Study Data, or (d) Collaboration Study Regulatory Documentation.

1.27 "***Breaching Party***" has the meaning set forth in Section 16.2(a).

1.28 "***Bulk Form***" has the meaning set forth in Section 5.3(a).

1.29 "***Business Day***" shall mean a day other than Saturday, Sunday or any day on which commercial banks located in New York, NY are authorized or obligated by Applicable Law to close.

1.30 "***Calendar Quarter***" shall mean each successive period of three (3) months ending on March 31, June 30, September 30 and December 31 of each Calendar Year; *provided, that* the first Calendar Quarter under this Agreement will be the period beginning on the Effective Date

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and ending on the end of the Calendar Quarter in which the Effective Date is encompassed and the last Calendar Quarter of the Term will be the period beginning on January 1 and ending on the effective date of expiration or termination of this Agreement.

1.31 "***Calendar Year***" shall mean each successive period of twelve (12) months commencing on January 1 and ending on December 31; *provided*, *that* the first Calendar Year under this Agreement will be the period beginning on the Effective Date and ending on the end of the Calendar Year in which the Effective Date is encompassed and the last Calendar Year of the Term will be the period beginning on January 1 and ending on the effective date of expiration or termination of this Agreement.

1.32 "***Change of Control***" shall mean, with respect to Nektar, (a) the sale, disposition, or license to a Third Party of all or substantially all of Nektar's rights, title and interests in and to NKTR-214 (or any other Nektar Compound for which a registrational Clinical Trial has been initiated or a BLA has been Filed); (b) the acquisition by a Third Party which constitutes (i) one person, as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended, together with any of such person's "affiliates" or "associates," as such terms are defined in the Securities Exchange Act of 1934, as amended, other than an employee benefit plan (or related trust) sponsored or maintained by Nektar or any of its Affiliates, or (ii) persons "acting in concert" as such term is used in the Internal Revenue Code, of more than fifty percent (50%) of the outstanding shares of voting capital stock of Nektar; (c) the acquisition, merger or consolidation of Nektar with or into another Person, other than, in the case of this Section 1.32, an acquisition or a merger or consolidation of Nektar in which the holders of shares of voting capital stock of Nektar, immediately prior to such acquisition, merger or consolidation will beneficially own, directly or indirectly, more than fifty percent (50%) of the shares of voting capital stock of the acquiring Third Party or the surviving entity in such acquisition, merger or consolidation, as the case may be, immediately after such acquisition, merger or consolidation; or (d) the sale or disposition to a Third Party of all or substantially all of the assets of Nektar; *provided*, *however*, that notwithstanding subsection (a) – (d) above, a stock sale to underwriters of a public offering of Nektar's capital stock shall not constitute a Change of Control. Such Third Party or Person as set forth in subsections (a) – (d) the "***Nektar Successor***." Change of Control shall apply to BMS *mutatis mutandis* (subject only to appropriate modifications of the references to include Opdivo® in subsection (a), with such Third Party or Person set forth in such subsections (a) – (d) the "***BMS Successor***").

1.33 "***Clinical Hold***" shall mean (i) an order issued by the FDA to a Party pursuant to 21 C.F.R. §312.42 to delay a proposed clinical investigation or to suspend an ongoing clinical investigation of the Combined Therapy, Monotherapy or such Party's Single Agent Compound in the United States or (ii) an equivalent order to that set forth in subclause (i) issued by a Regulatory Authority other than the FDA in any other country or group of countries.

1.34 "***Clinical Manufacturing Costs***" shall mean the (a) external costs and expenses and (b) internal direct costs (including labor), to Manufacture the Nektar Assets and BMS Assets and all other costs and expenses, as agreed by the JMC and JFC, in each case that are incurred by a

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Party or its Affiliates for the Manufacture and supply of the Nektar Assets and BMS Assets for clinical purposes (including out-of-pocket external and internal costs, in each case, for process development, scale up, stability studies, qualification lots, validation lots and post-launch studies that may be required in connection with a conditional Regulatory Approval), in each case to the extent incurred in accordance with this Agreement in relation to a Collaboration Study, Independent Study or other Joint Development Plan activities. Without limiting the generality of the preceding, Schedule 1.34 (Clinical Manufacturing Costs), which may be amended from time to time by the JMC and approved by the JDC, sets forth a schedule of certain costs and expenses acknowledged and agreed by the Parties (x) to be *included* in the Clinical Manufacturing Costs, and (y) to be *excluded* from the Clinical Manufacturing Costs. For clarity, Clinical Manufacturing Costs exclude general overhead beyond what is already included in the FTE Rate, costs associated with failed lots (due to a Party's negligence) and other unabsorbed costs related to idle plant capacity.

1.35 "***Clinical Trial***" shall mean any human clinical study of a pharmaceutical product.

1.36 "***Clinical Trial Agreement***" has the meaning set forth in the Recitals to this Agreement.

1.37 "***Closing***" has the meaning set forth in the SPA.

1.38 "***Closing Date***" has the meaning set forth in the SPA.

1.39 "***Collaboration Studies***" shall mean all Monotherapy Collaboration Studies and Combined Therapy Collaboration Studies.

1.40 "***Collaboration Study Data***" has the meaning set forth in Section 10.5.

1.41 "***Collaboration Study Development Costs***" shall mean Development Costs for all Collaboration Studies.

1.42 "***Collaboration Study Regulatory Documentation***" shall mean any Regulatory Documentation to be submitted for the conduct of a Collaboration Study, but excluding (a) any Nektar Regulatory Documentation and (b) any BMS Regulatory Documentation.

1.43 "***Collaboration Therapy***" shall mean each line of therapy for the disease, syndrome or medical conditions set forth in Schedule 1.43 (as the same may be amended from time to time in accordance with this Agreement), however such disease, syndrome or medical conditions are diagnosed, prevented, controlled, treated or ameliorated. For clarity, each Collaboration Therapy includes any and all product forms, presentations, formulations, doses, dosing regimens, methods of administration, biomarkers, patient populations, patient subpopulations, patient characteristics, patient segmentations or stratifications or combinations with other procedures (including chemotherapy, surgery and radiation) relating to any such disease, syndrome or medical condition.

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1.44 "***Combined Therapy***" shall mean a therapy using (a) a Product on the one hand, in combination with one or more (b) (i) BMS Assets, (ii) other Nektar Assets, or (iii) any Third Party Assets, on the other hand, but in each instance as individual formulations, for use in the Field.

1.45 "***Combined Therapy Collaboration IND***" means the INDs referred to in Sections 3.2(e)(ii)(B) and 3.2(e)(iii).

1.46 "***Combined Therapy Collaboration Study***" shall mean any Clinical Trial or study targeting any Indication in the Field using a Combined Therapy and performed pursuant to the Joint Development Plan, and may include trials or studies testing such combination against control drugs or other combinations that do not contain the Nektar Compound. For clarity, Combined Therapy Collaboration Studies may include Phase I Studies, Phase II Studies, Phase II/III Studies, Phase III Studies and any other studies or trials conducted hereunder following receipt of Regulatory Approval, at any time.

1.47 "***Combined Therapy Collaboration Study Regulatory Documentation***" shall mean any Regulatory Documentation to be submitted for the conduct of a Combined Therapy Collaboration Study, but excluding (a) any Nektar Regulatory Documentation and (b) any BMS Regulatory Documentation.

1.48 "***Combined Therapy Independent Study***" has the meaning set forth in Section 7.1.

1.49 "***Commercial/Financial Dispute Arbitrator***" has the meaning set forth in Section 15.2(a).

1.50 "***Commercial/Financial Disputes***" shall mean the following JCC Disputes or JFC Disputes:

(a)disputes regarding the determinations of an auditor under Section 9.14;

(b)disputes regarding what qualifies as a Development Cost under this Agreement;

(c)disputes regarding the allocation of different components of Development Costs, including Clinical Manufacturing Costs, between or among the Parties and/or a Third Party;

(d)disputes regarding what qualifies as a Clinical Manufacturing Cost under this Agreement;

(e)disputes regarding what qualifies as Allowable Commercialization Expenses (including with respect to Manufacturing, what costs should be treated as Clinical Manufacturing Costs versus COGS);

(f)disputes regarding the allocation of different components of Allowable Commercialization Expenses (e.g., detailing costs, Distribution Expenses) between (i) Products

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and (ii) other goods (e.g., a BMS Asset or Nektar Asset (other than a Nektar Compound)) or services sold or provided by a Party outside this Agreement, in each case both during the development of and as incurred in connection with executing against the Commercialization Plan and Budget;

(g) disputes regarding what qualifies as Net Product Sales and the calculation thereof under this Agreement;

(h) disputes regarding whether a Development Milestone or Commercial Milestone has been achieved;

(i) disputes regarding the methodology for calculating Net Profits (including the inclusions or exclusions therefrom);

(j) disputes regarding applicable taxes or tax return related materials (e.g., elections or calculations);

(k) disputes regarding the Tax Matters Agreement;

(l) disputes regarding provisions of data or information requested by a Party in order to achieve and maintain Finance and Accounting Compliance; and

(m) disputes regarding the determination of the FTE Rate(s).

1.51 "***Commercial Milestone***" has the meaning set forth in Section 9.3(a).

1.52 "***Commercial Milestone Payment***" has the meaning set forth in Section 9.3(b).

1.53 "***Commercialization***" or "***Commercialize***" shall mean activities directed to obtaining pricing and reimbursement approvals, marketing, promoting, distributing, importing or selling a product. Commercialization shall not include any activities related to Manufacturing.

1.54 "***Commercialization Plan and Budget***" shall mean the commercialization plan setting forth the Commercialization activities (pre- and post-launch) to be conducted with respect to the Products in the Field in the Territory (with emphasis on the Major Markets) during a given Calendar Year and the two succeeding Calendar Years, as developed and approved by the JCC using Commercially Reasonable Efforts (with no Party having final decision making authority) in accordance with Section 8.3, which plan shall describe the Commercialization objectives and activities (including advertising, education, planning, promotion, sales, sales force incentive plans, medical affairs, publication plans), the global Commercialization budget and the sales forecast for the Product in the Field in the Territory, as amended from time to time in accordance with the procedures set forth in this Agreement. The initial Commercialization Plan and Budget shall be agreed to by the JCC (with no Party having final decision making authority) the earlier of (a) ninety (90) calendar days following the JDC's decision to file for Regulatory Approval following the first successful Phase III Study (or other final pre-Filing study) of a Product or (b) forty-five (45)

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calendar days following a public announcement of the first successful Phase III Study (or other final pre-Filing study) of a Product, and upon approval such initial Commercialization Plan and Budget shall become incorporated into this Agreement.

1.55 "[***]" has the meaning set forth in the definition of Cost of Goods Sold.

1.56 "***Commercially Reasonable Efforts***" shall mean: (a) the carrying out of a Party's obligations or tasks, other than as set forth in clause (b), with a level of efforts and resources consistent with the commercially reasonable practices normally devoted by a similarly situated Person, subject to and in accordance with the terms and conditions of this Agreement; and (b) where applied to a Party's efforts to conduct any Collaboration Study under the applicable Protocol, the level of effort and resources normally devoted by such Party to conduct a Clinical Trial for a biopharmaceutical product or compound that is owned by it or to which it has rights, which is of similar market potential, profit potential or strategic value and at a similar stage in its development or product life based on conditions then prevailing and subject to the applicable Party's contractual obligations to Third Parties existing as of the Execution Date. Commercially Reasonable Efforts shall be determined on a country-by-country and Indication-by-Indication basis for the Product, and it is anticipated that the level of effort will change over time, reflecting changes in the status of the Product and the market(s) or country(ies).

1.57 "***Confidential Information***" shall mean the terms and conditions of this Agreement and the Investment Agreement (but not their existence) and, as disclosed by one Party to the other Party pursuant to this Agreement or any of the Investment Agreements, all confidential or proprietary information and materials, patentable or otherwise, in any form (written, oral, photographic, electronic, magnetic or otherwise), including, know-how, trade secrets, inventions or discoveries, processes, techniques, algorithms, patent information, financial and strategic information, databases, clinical trial endpoints, candidate selection criteria, technical information, specifications, data, formulae, intellectual property, software and other material and information of a Party relating to any products, projects or processes, including:

(a)all communications between the Parties or information of whatever kind whether recorded or not, and if recorded, in whatever medium, relating to or arising out of this Agreement or any of the Investment Agreements, whether disclosed prior to or after entering into this Agreement or any of the Investment Agreements;

(b)any information that a reasonable Person would understand to be the confidential information of the disclosing Party or that the Party indicates in writing is information of a confidential nature or which is marked "confidential"; and

(c)all copies and excerpts of the communications, information, notes, reports and documents in whatever form referred to in paragraph (a) or (b) of this definition.

1.58 "***Control***" or "***Controlled***" shall mean, with respect to any particular asset, information or intellectual property, that the applicable Party or one of its Affiliates owns or has a

license to such asset, information or intellectual property and that the applicable Party has the ability (after having complied with its contractual obligations to any applicable Third Party Collaborator) to grant a right, license or sublicense, or otherwise make available to the other Party as provided for herein without violating the terms of any agreement or other arrangement with any Third Party.

1.59 "***Cost of Goods Sold***" or "***COGS***" shall mean the Fully Burdened Costs to Manufacture a Product (but not any other Nektar Asset, BMS Asset or Third Party Asset) for Commercialization activities under this Agreement during the Term. Notwithstanding the foregoing, to the extent that [***] shall be excluded from COGS. For clarity, COGS shall not include any costs associated with Product process development, scale up costs, qualification lots and any other costs that are incurred prior to Regulatory Approval of a Product (for each Indication or Label expansion); *provided*, *however*, *that* if such costs are incurred after Regulatory Approval of a Product, the JFC shall recommend and the JCC shall determine whether such costs shall be included in Clinical Manufacturing Costs or COGS.

1.60 "***Cover***" shall mean, with respect to Patent Rights, that, but for rights granted to a Person under such Patent Rights, the practice by such Person of an invention described in such Patent Rights would infringe a claim included in such Patent Rights, or in the case of a Patent Right that is a patent application, would infringe a claim in such patent application if it were to issue as a patent. "***Covered***" or "***Covering***" shall have correlative meanings.

1.61 "***CRO***" shall mean any Third Party contract research organization used to conduct a Collaboration Study, including laboratories and Third Parties used to maintain the Global Safety Database from a Collaboration Study, but, for clarity, excluding clinical trial sites and any Third Parties who are individuals.

1.62 "***CRO Agreement***" has the meaning set forth in Section 3.3(b)(xviii).

1.63 "***CSRs***" has the meaning set forth in Section 4.2(b)(vi).

1.64 "***Cure Period***" has the meaning set forth in Section 16.2(a).

1.65 "***Current Studies***" has the meaning set forth in Section 7.2.

1.66 "***Database Lock***" shall mean, with respect to each Collaboration Study, such actions as are taken with approval of the JDC to prevent any modification to the database of Study Data generated in the course of such Collaboration Study.

1.67 "***Develop***" shall mean with respect to a compound or product, those activities that are necessary or useful to research and develop such compound or product, to obtain and maintain registrations or Regulatory Approval(s) for such product, to support pricing/reimbursement for such product, and to support appropriate usage for such product, including research, analysis, testing, pre-clinical activities, Clinical Trials, supporting Manufacturing activities and related

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regulatory activities, and any and all clinical, pre-clinical and development activities pertaining to biomarkers, lifecycle management and new indications and new formulations for such compound or such product, including, by way of example, the activities listed or referred to in the definition of Development Costs. "***Developing***" and "***Development***" shall have correlative meanings.

1.68 "***Development Budget***" shall mean the budget for anticipated Development Costs set forth in the Joint Development Plan.

1.69 "***Development Cost Cap***" has the meaning set forth in Section 6.4(a).

1.70 "***Development Costs***" shall mean all pre- and post- launch (a) external costs and expenses, (b) Clinical Manufacturing Costs for the Nektar Compound, (c) Pre-Approval Regulatory Expenses, and (d) for Collaboration Studies conducted by a Party or a CRO, internal costs of FTEs (calculated at the FTE Rate) of either Party conducting or directly supporting such studies, incurred by a Party in Developing a Product, in each case to the extent incurred in accordance with this Agreement and consistent with the Development Budget, with such Party's accounting methodologies generally and consistently applied and in accordance with U.S. GAAP. Without limiting the generality of the preceding, Schedule 1.70 (Development Costs), which may be amended from time to time by the Joint Finance Committee and approved by the JDC, sets forth a schedule of certain costs and expenses acknowledged and agreed by the Parties (x) to be *included* in the Development Costs, and (y) to be *excluded* from the Development Costs. For clarity, Development Costs include, as applicable, costs and expenses incurred in connection with the performance of clinical studies (including registrational studies) and any other studies or trials conducted hereunder following receipt of Regulatory Approval, at any time. For clarity, Development Costs exclude general overhead beyond what is already included in the FTE Rate.

1.71 "***Development Cost Reconciliation Procedures***" has the meaning set forth in Section 9.7(a).

1.72 "***Development Milestone***" has the meaning set forth in Section 9.2(a).

1.73 "***Development Milestone Payment***" has the meaning set forth in Section 9.2(b).

1.74 "***Development Program***" shall mean the work performed by Nektar, BMS and their respective Affiliates, contractors or agents on behalf of Nektar or BMS (as the context may require) under this Agreement in accordance with the Joint Development Plan.

1.75 "***Diligence Date***" has the meaning set forth in Section 3.2(a).

1.76 "***Dispute***" has the meaning set forth in Section 15.1(a).

1.77 "***Distribution Expenses***" shall mean the direct costs and expenses specifically identifiable to the distribution, transportation, storage and insurance of the Product by a Party or its Affiliates (or its or their sublicensees) during the Term, including (and to the extent not included in COGS): (a) warehousing of the Product from the point of completion of production to the time

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such Product is turned over to a carrier for delivery; (b) handling and transportation to fulfill orders, including outbound transportation costs and costs of moving goods from a manufacturing point to a warehouse at another location from which it is ultimately to be distributed to a customer; (c) customer services, including order entry, billing and adjustments, inquiry and credit and collection, but excluding costs or expenses that are reimbursed by any Third Party; and (d) out-of-pocket costs paid to Third Parties for distribution support. For clarity, Distribution Expenses shall exclude any such costs or expenses, if any, treated as a deduction in the definition of Net Product Sales.

1.78 "***Effective Date***" has the meaning set forth in Section 17.1(a).

1.79 "***Equity Payment***" has the meaning set forth in Section 9.1(b).

1.80 "***Execution Date***" has the meaning set forth in the preamble to this Agreement.

1.81 "***Executive Officers***" shall mean the Chief Executive Officer of Nektar and the Chief Executive Officer of BMS, or their respective designated direct reports.

1.82 "***Facility List***" has the meaning set forth in Section 5.3(g).

1.83 "***FDA***" shall mean the United States Food and Drug Administration, or any successor agency having the same or similar authority.

1.84 "***Field***" shall mean (a) with respect to each of (i) NKTR-214 or (ii) any BMS Asset, all uses, including the diagnosis, prevention, control, treatment or amelioration, in humans and other animals, of all diseases or conditions, and (b) with respect to Nektar Compounds (other than NKTR-214), all uses, including the diagnosis, prevention, control, treatment or amelioration, in humans and other animals, of all diseases or conditions but excluding [***].

1.85 "***Filing***" shall mean the acceptance of filing of the applicable application by a Regulatory Authority.

1.86 "***Finance and Accounting Compliance***" shall mean, for a Party, the use of procedures, information sharing, reporting and reconciliation methods and timing, that individually and taken as a whole, enable such Party to comply with its internal finance and accounting methodologies consistently and generally applied, to comply with SEC and Sarbanes-Oxley rules and regulations, to satisfy external accounting audit requirements and to otherwise comply with Applicable Law.

1.87 "***Finished Form***" shall mean a product or compound that has been Manufactured into a presentation suitable for administration, finished and Labeled in accordance with the applicable specifications agreed to by the Parties, the applicable Regulatory Approvals, and Applicable Law.

1.88 "***First Commercial Sale***" shall mean the first sale in a country to a Third Party of any Product in the Field intended for use by an end-user customer of such Product in such country.

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1.89 "***Fixed Dose Combination***" shall mean a pharmaceutical dosage form containing fixed doses of more than one active ingredient in which all active ingredients are present in a single vial or other form and shall expressly include so-called "co-packaging" in which separate drugs in separate dosage forms are sold in a single packaging unit.

1.90 "***Fixed Dose Combination Product***" shall mean a Fixed Dose Combination containing a Product.

1.91 "***Force Majeure***" has the meaning set forth in Section 17.7.

1.92 "***FTE***" shall mean, with respect to an individual (other than an employee that details a Product), the equivalent of the work of one (1) employee (which might include temporary workers) working full-time under this Agreement for one (1) year (consisting of at least a total of [***] per year (excluding vacations and holidays)). One FTE may constitute work performed by an individual whose time is dedicated solely to an individual activity hereunder, or may comprise the efforts of several individuals, each of whom dedicates only part of his or her time to work on an individual activity hereunder.

1.93 "***FTE Rate***" shall mean, for the period commencing on the Effective Date until such time as the Parties agree otherwise, [***] per FTE. On a Calendar Year basis, the FTE Rate will be increased by a percentage equivalent to the change over the preceding twelve (12) month period in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CWUR0000SA0L1E). The FTE Rate is assumed to be a fully burdened rate and includes costs of salaries, benefits, supplies, other employee costs and supporting general and administration allocations.

1.94 "***Fully Burdened Costs to Manufacture***" shall mean a Party's internal and external costs and expenses of Manufacturing and supplying the Nektar Assets, BMS Assets or Products, as applicable, under this Agreement but solely for Commercialization of the Product or an Independent Study (as the case may be), including: (a) for the assets or components thereof Manufactured by such Party, the costs of all direct material, direct labor (inclusive of allocated expenses) and allocable manufacturing overhead consumed, provided or procured by such Party, in each case for the Manufacture of the applicable Nektar Assets, BMS Assets or Products based on such Party's accounting policies as generally and consistently applied; (b) for assets or components thereof Manufactured by Third Party suppliers, the out-of-pocket costs paid to such Third Party suppliers by such Party; (c) such Party's direct, allocable labor and related overhead costs incurred by such Party in managing and supporting (including technical and quality oversight) its supply chain for the Manufacture, storage, delivery, and supply of the applicable Nektar Assets, BMS Assets or Products, to the extent not included in Distribution Expenses; and (d) any other direct costs necessary to ship and store the applicable Nektar Assets, BMS Assets or Products, to the extent that such costs are not included in Distributing Expenses, including costs such as storage fees, material transport costs, and related duties and taxes, to the extent that (i) such costs in (a), (b), (c) and (d) above are incurred by such Party or its Affiliates, and (ii) they are reasonably allocable to the Manufacture of the applicable Nektar Assets, BMS Assets or Products.

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For clarity, the Fully Burdened Costs to Manufacture shall be determined in accordance with a Party's accounting practices consistently and generally applied, and subject to audit by the other Party pursuant to Section 9.14, provided that failed lots (due to a Party's negligence), excess overhead and other unabsorbed costs related to idle plant capacity are excluded from this definition.

1.95 "***Fully Burdened Costs***" shall mean direct costs and expenses, plus FTE costs, provided that failed lots (due to a Party's negligence), excess overhead and other costs related to idle plant capacity are excluded from this definition.

1.96 "***Global Pricing and Reimbursement Plan(s)***" shall mean the strategy and plan setting forth the pricing for each Product in the Field in the Territory on a global basis during a given Calendar Year and the [***] succeeding Calendar Years, as developed and approved by the JCC in accordance with Section 8.3, as amended from time to time in accordance with the procedures set forth in this Agreement. Upon adoption of each Global Pricing and Reimbursement Plan in accordance with this Agreement, such plan shall become incorporated into this Agreement.

1.97 "***Global Safety Database***" shall mean the database containing Serious Adverse Events, serious adverse drug reactions and pregnancy reports for the Product, and shall be the authoritative data source for regulatory reporting and responding to regulatory queries.

1.98 "***Good Clinical Practices***" or "***GCP***" shall mean the standards, practices and procedures set forth in the International Conference on Harmonization guidelines entitled in "Good Clinical Practice: Consolidated Guideline," including related regulatory requirements imposed by the FDA and (as applicable) any equivalent or similar standards in jurisdictions outside the United States, to the extent that such standards are applicable in the jurisdiction in which the relevant Collaboration Study is conducted or required to be followed in the jurisdiction in which Regulatory Authority approval of a product will be sought.

1.99 "***Good Laboratory Practices***" or "***GLP***" shall mean the regulations set forth in 21 C.F.R. Part 58 and the requirements thereunder imposed by the FDA and (as applicable) any equivalent or similar standards in jurisdictions outside the United States.

1.100 "***Good Manufacturing Practices***" or "***GMP***" shall mean the regulations set forth in 21 C.F.R. Parts 210–211 and 21 C.F.R. Parts 600 and 610, and the requirements thereunder imposed by the FDA, and, as applicable, any similar or equivalent regulations and requirements in jurisdictions outside the United States.

1.101 "***IL-2 Agonist***" shall mean [***].

1.102 "***IND***" shall mean (a) an Investigational New Drug Application as defined in the Federal Food, Drug and Cosmetic Act, as amended, and regulations promulgated thereunder, or any successor application or procedure required to initiate clinical testing of a drug in humans in the United States; (b) a counterpart of such an Investigational New Drug Application that is

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required in any other country before beginning clinical testing of a drug in humans in such country, including, for clarity, a "Clinical Trial Application" in the European Union; and (c) all supplements and amendments to any of the foregoing.

1.103 "***Indemnify***" has the meaning set forth in Section 14.1.

1.104 "***Independent Studies***" shall mean all Monotherapy Independent Studies and Combined Therapy Independent Studies.

1.105 "***Independent Study Data***" has the meaning set forth in Section 10.5.

1.106 "***Indication***" shall mean, with respect to a particular Product, the use of such Product for treating a separate and distinct patient population based on the results of clinical study, and not a sub-category of patients previously covered by the Label for such Product. For clarity, a Labelling change based on the results of a clinical study that removes a requirement for certain specified prior treatment shall be deemed a new Indication.

1.107 "***Information Sharing Agreement***" has the meaning set forth in Section 8.12(b).

1.108 "***Informed Consent Form***" or "***ICF***" has the meaning set forth in Section 3.4(a).

1.109 "***Infringe***" or "***Infringement***" has the meaning set forth in Section 11.6(a).

1.110 "***Initial Trial***" has the meaning set forth in Section 3.2(a).

1.111 "***Internal Compliance Codes***" has the meaning set forth in Section 13.9.

1.112 "***Investment Agreements***" shall mean (i) the SPA, and (ii) that certain Investor Agreement, dated as of the date hereof, entered into by and between Nektar and BMS, and attached hereto as Exhibit B.

1.113 "***IRBs***" has the meaning set forth in Section 12.3(d).

1.114 "***JCC***" or "***Joint Commercialization Committee***" has the meaning set forth in Section 8.2.

1.115 "***JCC Co-Chair***" has the meaning set forth in Section 8.2.

1.116 "***JCC Dispute***" has the meaning set forth in Section 8.5.

1.117 "***JDC***" or "***Joint Development Committee***" has the meaning set forth in Section 3.3(a).

1.118 "***JDC Co-Chair***" has the meaning set forth in Section 3.3(a).

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1.119 "***JDC Dispute***" has the meaning set forth in Section 3.7.

1.120 "***JEC***" or "***Joint Executive Committee***" has the meaning set forth in Section 2.2.

1.121 "***JEC Co-Chair***" has the meaning set forth in Section 2.2.

1.122 "***JFC***" or "***Joint Finance Committee***" has the meaning set forth in Section 9.6(a).

1.123 "***JFC Co-Chair***" has the meaning set forth in Section 9.6(a).

1.124 "***JFC Dispute***" has the meaning set forth in Section 9.6(c).

1.125 "***JMC***" or "***Joint Manufacturing Committee***" has the meaning set forth in Section 5.1.

1.126 "***JMC Co-Chair***" has the meaning set forth in Section 5.1.

1.127 "***JMC Dispute***" has the meaning set forth in Section 5.2(b).

1.128 "***Joint Collaboration Invention(s)***" shall mean any invention or Technology, whether or not patentable, that is made, conceived or first actually reduced to practice by or on behalf of a Party, or by or on behalf of the Parties together (including by a Third Party in the performance of a Collaboration Study or Independent Study), in the performance of the Collaboration Studies, Independent Studies, Statistical Analysis Plan or Bioanalysis Plan, but excluding any Nektar Asset Inventions, BMS Asset Inventions and Joint Third Party Inventions. For clarity, Joint Collaboration Inventions include any invention conceived or first actually reduced to practice under a Collaboration Study or Independent Study and wherein the invention relates, whether generically or specifically, to the use of a combination of (a) one or more BMS Assets with (b) one or more Nektar Assets. As used in this Agreement, Joint Collaboration Inventions exclude Joint Third Party Inventions.

1.129 "***Joint Collaboration Patent Right(s)***" shall mean any Patent Rights that are Controlled by either Party that Cover any Joint Collaboration Invention or Collaboration Study Data, excluding BMS Background Patent Rights and Nektar Background Patent Rights.

1.130 "***Joint Development Plan***" shall mean the written Product Development plan (including Monotherapy Collaboration Studies and Combined Therapy Collaboration Studies) undertaken jointly by the Parties (notwithstanding that one Party may lead a Clinical Trial or other activity), as developed and approved by the Parties in accordance with Section 3.1(b), as amended from time to time in accordance with the procedures set forth in this Agreement. The Joint Development Plan excludes Independent Studies. The initial Joint Development Plan, effective as of the Effective Date, is attached hereto as Schedule 3.1.

1.131 "***Joint Third Party Invention***" shall mean any invention or Technology that is made, conceived or first actually reduced to practice either by or on behalf of BMS, Nektar or a

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Third Party, or by or on behalf of BMS, Nektar or such Third Party together, in the performance of an Independent Study *and* that relates to a method of use of a combination of (a) one or more Third Party Asset *with* (b) one or more BMS Asset, *and* (c) one or more Nektar Asset.

1.132 "***Joint Third Party Patent Right(s)***" shall mean any Patent Rights that are Controlled by either Party and that Cover any Joint Third Party Invention, excluding BMS Background Patent Rights and Nektar Background Patent Rights.

1.133 "***Labelling***" or "***Label***" shall mean (a) the healthcare professional information or patient information that is part of a product's or compound's IND, BLA or Regulatory Approval, including the package insert, medication guides, summary of product characteristics ("***SmPC***"), patient information leaflets, company core safety information ("***CCSI***"), and company core data sheet ("***CCDS***") and (b) any other product labelling required by Applicable Law.

1.134 "***Launched Products***" has the meaning set forth in Section 16.6(b)(iii).

1.135 "***Lead Party***" shall mean the Party to which the conduct of a Collaboration Study is assigned pursuant to this Agreement, including Section 3.2, whether or not such Party is the Sponsor of the applicable Collaboration Study.

1.136 "***Loss Carry-Forward***" has the meaning set forth in Section 9.4(a).

1.137 "***Losses***" has the meaning set forth in Section 14.1.

1.138 "***Major Markets***" shall mean the United States, [***].

1.139 "***Manufacture***" (and variations thereof) shall mean all activities related to the manufacturing of a product or compound, or any raw materials thereof, including (a) manufacturing process development and validation, process improvements, associated analytical development and validation, and the manufacture and testing of stability or consistency lots; and (b) manufacturing of a product or compound for Development or Commercialization, Labelling and packaging a product or compound, in-process and finished product or compound testing, quality assurance activities related to manufacturing and release of a product or compound, ongoing stability tests, and regulatory activities related to any of the foregoing.

1.140 "***Manufacturing Commencement Date***" has the meaning set forth in Section 5.5(a).

1.141 "***Manufacturing Option***" has the meaning set forth in Section 5.5(a).

1.142 "***Manufacturing Party***" shall mean the Party that is responsible for the Manufacture of any Nektar Compounds or Product pursuant to this Agreement. For clarity, both Parties may be Manufacturing Parties at the same time.

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1.143 "***Marketing Expenses***" shall mean costs and expenses incurred by a Party or its Affiliates or Third Party Collaborator during the Term in the Territory that are specifically identifiable or reasonably allocable to the Commercialization of a Product in accordance with the Commercialization Plan and Budget by such Party or its Affiliates. Marketing Expenses shall include (a) pre-launch marketing expenses (to the extent incurred by the Parties in advance of the finalization of the Commercialization Plan and Budget), (b) direct-to-consumer advertising, (c) direct-to-healthcare professionals advertising, (d) costs of labor for personnel allocated to marketing activities, calculated using the FTE Rate, (e) out-of-pocket costs paid to Third Parties for marketing activities, (f) costs of obtaining outside services and materials and conducting outside activities, and (g) costs incurred by a Party or any of its Affiliates that are directly related to the cost of obtaining sales and marketing data. To the extent that an FTE of a Party or its Affiliates is not wholly dedicated to the Commercialization of the Products, the Party shall make an allocation of the FTE's efforts to Commercialize the Products pursuant to the methodologies determined by the JFC in accordance with Section 9.6(b)(v). For clarity, Marketing Expenses shall exclude the cost and expense of activities that promote a Party's business as a whole (e.g., corporate image advertising) and that are not otherwise specific to the Product.

1.144 "***Material Amendments***" has the meaning set forth in Section 3.1(b).

1.145 "***Material Safety Issue***" shall mean a Party's good faith belief that there is an unacceptable risk for harm in humans based upon: (a) pre-clinical safety data, including data from animal toxicology studies; or (b) the observation of Serious Adverse Events in humans after any Nektar Asset, BMS Asset or Third Party Asset, either as a single agent or in combination with another pharmaceutical agent (including as the Combined Therapy), has been administered to or taken by humans, such as during the Collaboration Study or Independent Study.

1.146 "***Monotherapy***" shall mean a therapy using a Nektar Compound as an individual formulation for use in the Field.

1.147 "***Monotherapy Collaboration Study***" shall mean any Clinical Trial or study targeting any Indication in the Field using solely a Nektar Compound and performed pursuant to the Joint Development Plan, and may include trials or studies testing such Nektar Compound against control drugs. For clarity, Monotherapy Collaboration Studies include Phase I Studies, Phase II Studies, Phase II/III Studies, Phase III Studies and any other studies or trials conducted hereunder following receipt of Regulatory Approval, at any time.

1.148 "***Monotherapy Independent Study***" has the meaning set forth in Section 7.1.

1.149 "***Monotherapy Collaboration Study Regulatory Documentation***" shall mean any Regulatory Documentation to be submitted for the conduct of a Monotherapy Collaboration Study, but excluding (a) any Nektar Regulatory Documentation and (b) any BMS Regulatory Documentation.

1.150 "***Nektar***" has the meaning set forth in the preamble to this Agreement.

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1.151 "***Nektar Asset Invention***" shall mean any invention or Technology that is made, conceived, or first actually reduced to practice by or on behalf of a Party, or by or on behalf of the Parties jointly (including by a Third Party in the performance of a Collaboration Study or an Independent Study), in the performance of the Collaboration Studies or in the performance of an Independent Study (which Independent Study may be led by either Party) *and* that relates to (a) the composition of matter or a formulation of one or more Nektar Assets as sole active ingredients, (b) a method of manufacture or formulating of one or more Nektar Assets as a single agent or in combination with one another, (c) a method of use of any Nektar Assets as a monotherapy or in combination with one another, (d) a method of manufacture or formulating of one or more Nektar Assets in combination with any Third Party Assets (but not a BMS Asset), or (e) a method of use of one or more Nektar Assets in combination with any Third Party Assets (but not a BMS Asset).

1.152 "***Nektar Asset Patent Rights***" shall mean any Patent Rights that Cover any Nektar Asset Invention or Nektar Study Data, excluding Nektar Background Patent Rights, Joint Collaboration Patent Rights, and Joint Third Party Patent Rights.

1.153 "***Nektar Assets***" shall mean all compounds Controlled by Nektar or any of its Affiliates, including Nektar Compounds.

1.154 "***Nektar Background Patent Rights***" shall mean any Patent Rights Controlled by Nektar (or its Affiliates) as of the Effective Date, and during the Term through efforts outside the scope of this Agreement, that Cover the use (whether alone or in combination with other agents), manufacture, formulation or composition of matter of any Nektar Asset, but which do not comprise a Nektar Asset Invention, a Joint Collaboration Inventions, or a Joint Third Party Invention.

1.155 "***Nektar Combinations***" shall mean (a) a Monotherapy use of a Product or (b) a combination of a Product, with one or more Nektar Asset and/or one or more Third Party Asset (but no BMS Asset), but in each instance as single agent formulations in the combination, for use in the Field.

1.156 "***Nektar Compound***" shall mean:

(a)NKTR-214, as described in the attached Schedule 1.156(a), and

(b)during the period commencing on the Effective Date and ending on the [***] (or, if earlier, on the termination or expiration of this Agreement) or any other compound that is a conjugate between a PEG Reagent and [***] and for which both of the following are present: (i) such other compound is Controlled by Nektar or any of its Affiliates, and (ii) such compound [***].

For clarity, "Nektar Compounds" excludes (x) [***], as described in the attached Schedule 1.156(b)(1), (y) [***], as described in the attached 1.156(b)(2), and (z) any other compound that is a conjugate between a PEG reagent and [***].

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1.157 "***Nektar Excess Development Cost***" has the meaning set forth in Section 6.4(a).

1.158 "***Nektar IND***" means each of the INDs referred to in Sections 3.2(e)(i) and 3.2(e)(ii)(A).

1.159 "***Nektar Indemnitees***" has the meaning set forth in Section 14.1.

1.160 "***Nektar Manufacturing Know-How***" shall mean all Nektar Technology Controlled by Nektar, as of the Effective Date or during the Term, excluding any know-how contained within Nektar Background Patent Rights or Nektar Asset Patent Rights, that is necessary or reasonably useful to Manufacture a Nektar Compound or the PEG Reagent.

1.161 "***Nektar Manufacturing Process***" shall mean Nektar's proprietary manufacturing processes for Manufacturing Nektar Compound.

1.162 "***Nektar PEG Technology***" has the meaning set forth in Schedule 5.5(d)(ii).

1.163 "***Nektar Regulatory Documentation***" shall mean any Regulatory Documentation related to any Nektar Asset that exists as of the Effective Date or that is created during the Term through efforts outside the scope of this Agreement.

1.164 "***Nektar Share of Net Profit***" has the meaning set forth in Section 9.4(a).

1.165 "***Nektar Study Data***" has the meaning set forth in Section 10.5.

1.166 "***Nektar Successor***" has the meaning set forth in the definition of Change of Control.

1.167 "***Nektar Technology***" shall mean all Technology Controlled by Nektar (or its Affiliates), as of the Effective Date or during the Term, through efforts outside the scope of this Agreement related to any Nektar Asset and necessary or reasonably useful, as determined by Nektar, for the conduct of the Collaboration Studies or Independent Studies. For clarity, Nektar Technology does not include (a) Joint Collaboration Inventions, (b) Joint Third Party Inventions, (c) Study Data, or (d) Collaboration Study Regulatory Documentation.

1.168 "***Net Product Sales***" shall mean, with respect to a particular Product, the sum of the gross amount invoiced by a Party (including any Affiliate), a Third Party Collaborator or any sublicensee of such Party or of such Party's Affiliate to unrelated Third Parties (except as described below), for the sale, disposition or other transfer of such Product in the Territory, less (without duplication or double counting) the following deductions from such sum which are actually incurred, allowed, paid, accrued or specifically allocated for such Product (as applicable):

[***]; and

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(f) Any other similar and customary deductions which are in accordance with U.S. Generally Accepted Accounting Principles ("***U.S. GAAP***").

To be clear, the following transfers are not included in Net Product Sales, even if such transfer is for value received: (i) transfers to a Third Party Collaborator, sublicensees or unrelated Third Parties performing activities in connection with a Collaboration Study or Independent Study (e.g., clinical trial partners, ex-U.S. commercial partners, etc.); and (ii) transfers to sublicensees from whom revenues are paid to the transferor (or its designee) on subsequent sales, dispositions or other transfers by such sublicensee (e.g., consignment arrangements).

Such amounts shall be determined from the books and records of a Party or sublicensee maintained and consistently applied from time to time in accordance with U.S. GAAP or, in the case of sublicensees, such similar accounting principles as consistently applied. Each Party further agrees in determining such amounts, it will use such Party's then-current standard procedures and methodology consistently applied, including such Party's then-current standard exchange rate methodology for the translation of foreign currency sales into U.S. dollars or, in the case of sublicensees, such similar methodology, consistently applied.

For clarity, any revenue generated or received by Nektar through licenses or covenants not to sue granted to Third Parties outside of this Agreement regarding the use of Nektar Asset Patent Rights, Nektar Background Patent Rights, Nektar Technology or Nektar Regulatory Documentation, in each instance to the extent unrelated to Nektar Compounds, shall be excluded from Net Product Sales.

1.169 "***Net Profits***" shall mean the sum of (a) Net Product Sales of the Products and (b) Sublicensing Revenue, less Allowable Commercialization Expenses, on an aggregate worldwide basis. Net Profit shall be calculated for each Major Market, region or country basis, as agreed upon by the JCC and JFC. For the avoidance of doubt, the Upfront Payment, Equity Payment, Development Milestone Payments and Commercial Milestone Payments to Nektar, and any payments to Nektar as consideration with a Change of Control or other assignment under Section 17.12, are not included in the calculation of Net Profit.

1.170 "***NKTR-214 Contract Manufacturer***" has the meaning set forth in Schedule 5.5(d)(i).

1.171 "***NKTR-214 Technology***" has the meaning set forth in Schedule 5.5(d)(i).

1.172 "***NKTR-214 Technology Transfer***" has the meaning set forth in Schedule 5.5(d)(i).

1.173 "***Non-Breaching Party***" has the meaning set forth in Section 16.2(a).

1.174 "***Officials***" has the meaning set forth in Section 13.11.

1.175 "***On-Going Collaboration Study***" has the meaning set forth in Section 16.6(b)(ii).

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1.176 "***Ono***" shall mean Ono Pharmaceutical Co. Ltd.

1.177 "***Ono-BMS Agreements***" shall mean those certain Collaboration Agreements between BMS and Ono dated as September 20, 2011 and as of July 23, 2014, as amended from time to time, and agreements between Ono and BMS and their Affiliates relating thereto that may be in effect from time to time.

1.178 "***Operational Matters***" has the meaning set forth in Section 3.4(a).

1.179 "***Opt-Out Development Cost Reconciliation Procedures***" has the meaning set forth in Section 9.7(f).

1.180 "***Opt-Out Development Costs***" shall mean Development Costs for a Monotherapy Independent Study or Combined Therapy Independent Study, and will include the Clinical Manufacturing Costs for the applicable Nektar Compounds and Product, and further include, as applicable, the cost of supply of (a) other Nektar Assets to the extent that a fee was paid in relation to such supply pursuant to Section 7.3(b) and (b) Third Party Assets.

1.181 "***Party***" or "***Parties***" has the meaning set forth in the preamble to this Agreement.

1.182 "***Party Specific Regulations***" has the meaning set forth in Section 13.8.

1.183 "***Patent Rights***" shall mean any and all (a) United States or foreign patents and extensions or restorations by existing or future extension or restoration mechanisms, including supplementary protection certificates, patent term extensions, or the equivalents thereof; (b) United States or foreign patent applications, including all provisional applications, substitutions, continuations, continuations-in-part, divisionals, renewals, and all patents granted thereon; (c) United States or foreign patents-of-addition, reissues, reexaminations (including *ex parte* reexaminations, *inter partes* reviews, *inter partes* reexaminations, post grant reviews and supplemental examinations); and (d) any other form of government-issued rights substantially similar to any of the foregoing.

1.184 "***Payment***" has the meaning set forth in Section 13.11.

1.185 "***PD-1***" shall mean programmed cell death protein 1.

1.186 "***PD-L1***" shall mean programmed cell death-ligand 1.

1.187 "***PEG***" shall mean poly(ethylene) glycol.

1.188 "***PEG Reagent***" shall mean a PEG derivative used in the manufacture of Nektar Compounds.

1.189 "***PEG Reagent Contract Manufacturer***" has the meaning set forth in Schedule 5.5(d)(ii).

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1.190 "***PEG Technology Transfer***" has the meaning set forth in Schedule 5.5(d)(ii).

1.191 "***PEGylation***" with correlative meanings "***PEGylated***" or to "***PEGylate***," shall mean covalent chemical bonding of any reagent (including a PEG Reagent and including covalent chemical bonding through linking groups), with or to another material or materials. Such materials include: proteins, peptides, polymers, oligomers, oligonucleotides, other biomolecules, small molecules, therapeutic agents, diagnostic agents, imaging agents and detectable labels. PEGylation shall include the synthesis, derivatization, characterization, and modification of PEG for such purposes, together with the synthesis, derivatization, characterization and modification of the raw materials and intermediates for the manufacture of reagents (including PEG Reagents), Single Agent Compounds or Products incorporating such reagent by means of covalent chemical bonding, and all methods of making and using each and all of the foregoing.

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

1.193 "***Pharmacovigilance Agreement***" has the meaning set forth in Section 10.8.

1.194 "***Phase I Study***" shall mean a clinical trial of a Product generally consistent with 21 C.F.R. §312.21(a) or equivalent trial outside of the United States.

1.195 "***Phase II Study***" shall mean a clinical trial of a Product generally consistent with 21 C.F.R. §312.21(b) or equivalent trial outside of the United States.

1.196 "***Phase II/III Study***" shall mean a clinical trial of a Product that is (a) a Phase 2 Study combined with a Phase 3 Study, and (b) an adaptive design that includes a prospectively planned opportunity for modification of one or more specified aspects of the clinical trial design and hypothesis based on analysis of data (usually interim data) from subjects in such clinical trial.

1.197 "***Phase III Study***" shall mean a clinical trial of a Product generally consistent with 21 C.F.R. §312.21(c) or equivalent trial outside of the United States, which, for clarity, includes any open label extension.

1.198 "***POTV***" has the meaning set forth in Section 12.6(a).

1.199 "***Pre-Approval Regulatory Expenses***" shall mean any external Regulatory Expense (but not internal costs) with respect to an Indication incurred by a Party prior to Regulatory Approval of such Indication by the applicable Regulatory Authority. For clarity, Pre-Approval Regulatory Expenses shall be made on a Regulatory Authority-by-Regulatory Authority basis and an Indication-by-Indication basis.

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1.200 "***Post-Approval Regulatory Expenses***" shall mean any Regulatory Expense (internal and external) with respect to an Indication incurred by a Party after Regulatory Approval of such Indication by the applicable Regulatory Authority. For clarity, Post-Approval Regulatory Expenses shall be made on a Regulatory Authority-by-Regulatory Authority basis and an Indication-by-Indication basis.

1.201 "***Pricing Decisions***" has the meaning set forth in Section 8.3(d).

1.202 "***Pricing Period***" has the meaning set forth in Section 8.3(d).

1.203 "***Product***" shall mean any pharmaceutical composition, preparation or formulation that contains or comprises a Nektar Compound, but excluding any BMS Asset, other Nektar Asset or Third Party Asset.

1.204 "***Product Brand Strategy***" has the meaning set forth in Section 8.9(g)(i).

1.205 "***Product Brand Strategy Working Team***" has the meaning set forth in Section 8.9(g)(i).

1.206 "***Product Marks***" has the meaning set forth in Section 8.10(a).

1.207 "***Protocol***" has the meaning set forth in Section 3.2(d).

1.208 "***Publication Dispute***" has the meaning set forth in Section 12.5(b).

1.209 "***Quality Agreement***" has the meaning set forth in Section 5.6.

1.210 "***Quarterly Report***" has the meaning set forth in Section 9.5(c).

1.211 "***Recipients***" has the meaning set forth in Section 12.6(c).

1.212 "***Regulatory Approval***" shall mean any and all approvals (including supplements, amendments, pre- and post-approvals and BLA approvals), licenses, registrations or authorizations (including marketing and Labelling authorizations) of any national, supra-national (e.g., the European Commission or the Council of the European Union), regional, state or local Regulatory Authority, department, bureau, commission, council or other governmental entity, that are necessary for the Manufacture, Commercialization, use, storage, transport or sale of a product in a given jurisdiction.

1.213 "***Regulatory Authority***" shall mean the FDA or any other governmental authority outside the United States (whether national, federal, provincial and/or local) that is the counterpart to the FDA, including the European Medicines Agency for the European Union, and any successor regulatory agencies of the foregoing.

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1.214 "***Regulatory Documentation***" shall mean all submissions to Regulatory Authorities in connection with the Development of a product, including all INDs, BLAs and NDAs and all amendments thereto, drug master files, correspondence with regulatory agencies, periodic safety update reports, adverse event files, complaint files, inspection reports and manufacturing records, in each case together with all supporting documents (including documents with respect to clinical data).

1.215 "***Regulatory Expenses***" shall mean those costs (internal and/or external, as the case may be) incurred in connection with filings to gain and maintain Regulatory Approvals and pricing reimbursement, including costs and expenses to prepare regulatory filings and fees paid to Regulatory Authorities.

1.216 "***Results***" has the meaning set forth in Section 12.5(b).

1.217 "***Revenue Reporting and Reconciliation Procedures***" has the meaning set forth in Section 9.5(a).

1.218 "***Right of Cross-Reference***" shall mean, with regard to a Party, an authorization that permits an applicable Regulatory Authority in a country to rely on the relevant information (by cross-reference, incorporation by reference or otherwise) contained in Regulatory Documentation (and any data contained therein) filed with such Regulatory Authority with respect to such Party's Single Agent Compound (including, in the case of BMS, the Nektar INDs, the Combined Therapy Collaboration INDs or any other IND related to the Nektar Assets and, in the case of Nektar, the Combined Therapy Collaboration INDs or any other IND related to the BMS Assets), as necessary to conduct a Collaboration Study or Independent Study, to support marketing approval of a Product, to support a Label expansion, or to support a further Indication in such country or as otherwise expressly permitted or required under this Agreement to enable a Party to exercise its rights or perform its obligations hereunder, and, except as to information contained in a Nektar IND relating to a Combined Therapy or the Combined Therapy Collaboration IND, without the disclosure of underlying Confidential Information to such Party.

1.219 "***Ruling***" has the meaning set forth in Section 15.2(b).

1.220 "***Samples***" shall mean biological specimens collected from Collaboration Study subjects (including fresh and/or archived tumor samples, serum, peripheral blood mononuclear cells, plasma, and whole blood for RNA and DNA sample isolation).

1.221 "***SEC***" shall mean the U.S. Securities and Exchange Commission.

1.222 "***Serious Adverse Event***" or "***SAE***" shall mean an adverse event that results in any of the following outcomes: death, a life-threatening adverse event, inpatient hospitalization or prolongation of existing hospitalization, a persistent or significant incapacity or substantial disruption of the ability to conduct normal life functions, or a congenital anomaly/birth defect, is an important medical event (defined as a medical event(s) that may not be immediately life-

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threatening or result in death or hospitalization but, based upon appropriate medical and scientific judgment, may jeopardize the participant or may require intervention).

1.223 "***Single Agent Compound***" shall mean, (a) with respect to Nektar, each Nektar Asset, and (b) with respect to BMS, each BMS Asset.

1.224 "***Site/CRO List***" has the meaning set forth in Section 3.4(c).

1.225 "***SPA***" shall mean that certain Share Purchase Agreement, dated as of the date hereof, entered into by and between Nektar and BMS, and attached hereto as Exhibit A.

1.226 "***Sponsor***" shall mean the Person that is the sponsor of record as provided in 21 C.F.R. §312.50 (and comparable Applicable Law outside of the United States) of a Clinical Trial with responsibility, unless otherwise delegated in accordance with 21 C.F.R. §312.52 (and comparable Applicable Law outside of the United States), for such Clinical Trial and making all required submissions to Regulatory Authorities related thereto.

1.227 "***Statistical Analysis Plan***" shall mean the set of analyses of the Study Data for each Collaboration Study conducted hereunder prepared by the Lead Party and approved by the JDC and shall include safety analyses for the Monotherapy or Combined Therapy in each Collaboration Study. The Statistical Analysis Plan document for a Collaboration Study will be agreed to by the JDC before Database Lock and any material amendments thereto will require JDC approval.

1.228 "***Study Data***" has the meaning set forth in Section 10.4.

1.229 "***Sublicensing Revenue***" shall mean with respect to a particular Product, the revenue received by a Party (including any Affiliate) from any sublicensee of such Party or of such Party Affiliate under this Agreement (including, in the case of BMS, the revenue set forth in Section 9.15), for the sale, license, disposition or other transfer of such Party's rights, title and interest in a Product in the Territory. Such amounts shall be determined from the books and records of a Party or sublicensee maintained and consistently applied from time to time in accordance with U.S. GAAP or, in the case of sublicensees, such similar accounting principles consistently applied. Each Party further agrees in determining such amounts, it will use such Party's then-current standard procedures and methodology consistently applied, including such Party's then-current standard exchange rate methodology for the translation of foreign currency sales into U.S. dollars or, in the case of sublicensees, such similar methodology, consistently applied. For clarity, any revenue generated or received by Nektar through licenses or covenants not to sue granted to Third Parties outside of this Agreement regarding the use of Nektar Asset Patent Rights, Nektar Background Patent Rights, Nektar Technology or Nektar Regulatory Documentation, in each instance to the extent unrelated to Nektar Compounds and Products, shall be excluded from Sublicensing Revenue.

1.230 "***Sunshine Laws***" has the meaning set forth in Section 12.6(c).

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1.231 "***Supply Agreement***" has the meaning set forth in Section 5.7.

1.232 "***Tax Matters Agreement***" has the meaning set forth in Section 9.8.

1.233 "***Technology***" shall mean information, inventions, discoveries, trade secrets, know-how, knowledge, technology, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, ideas, technical assistance, designs, drawings, assembly procedures, computer programs, specifications, data and results not generally known to the public (including biological, chemical, pharmacological, toxicological, pharmaceutical, physical and analytical, pre-clinical, clinical, safety, manufacturing and quality control data and know-how, including study designs and protocols), in all cases, whether or not patentable, in written, electronic or any other form now known or hereafter developed, materials, data and results, including Regulatory Documentation.

1.234 "***Term***" has the meaning set forth in Section 16.1.

1.235 "***Territory***" shall mean worldwide.

1.236 "***Third Party***" shall mean any Person other than Nektar, BMS and their respective Affiliates.

1.237 "***Third Party Assets***" shall mean all compounds Controlled by a Third Party or any of its Affiliates.

1.238 "***Third Party Claim***" has the meaning set forth in Section 14.1.

1.239 "***Third Party Collaborator***" means any Third Party (including, with respect to BMS, Ono) that is engaged with a Party in the Development or Commercialization of any Nektar Asset or BMS Asset, as applicable.

1.240 "***Third Party License Payments***" shall mean any payments (e.g., upfront payments, maintenance payments, milestones, royalties) due to any Third Party under license agreements or other written agreements granting rights to intellectual property owned or controlled by such Third Party to the extent that such rights are necessary for (a) the making, using or importing of a Party's Single Agent Compound (other than a Nektar Compound) for the conduct of the Collaboration Studies, or (b) the conduct of any Collaboration Study.

1.241 "***Upfront Payment***" has the meaning set forth in Section 9.1(a).

1.242 "***U.S. GAAP***" has the meaning set forth in Section 1.168(f).

1.243 **Interpretation**. In this Agreement, unless the context otherwise requires, a reference to:

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(a)unless specified to the contrary, references to Articles, Sections, Schedules or Exhibits mean the particular Articles, Sections, Schedules or Exhibits of this Agreement and references to this Agreement include all Exhibits, Schedules and attachments hereto;

(b)any document includes a reference to that document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;

(c)a statute or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

(d)the singular includes the plural and vice versa, except as it regards the definitions of Party and Parties;

(e)one sex includes the other;

(f)“written” and “in writing” include any means of reproducing words, figures or symbols in a tangible and visible form, including acknowledged email or facsimile;

(g)a month or year is a reference to a calendar month or Calendar Year, as the case may be;

(h)“days” means calendar days;

(i)“include,” “includes” and “including” means including without limitation, or like expression unless otherwise specified, and “for example,” “e.g.,” “such as” and similar words or phrases are descriptive, not limiting;

(j)words such as “herein,” “hereof” and “hereunder” refer to this Agreement as a whole and not merely to the particular provision in which such words appear;

(k)“conventional T-cells” includes “effector T-cells”;

(l)the captions and headings to this Agreement are for convenience only, and are to be of no force or effect in construing or interpreting any of the provisions of this Agreement;

(m)dollars, “USD” or “$” refers to U.S. dollars; and

(n)“useful” means, when referring to data, information or intellectual property being disclosed, provided or otherwise transferred in order to engage in Development, Manufacturing or Commercialization activities hereunder, that such data, information or intellectual property: (i) is useful to such applicable activity as reasonably determined by the disclosing Party; (ii) has been used by the Party for the Development, Manufacturing or Commercialization of a Product in the Field in the Territory; or (iii) included in the abstract, disclosure or claims of any Patent Rights licensed hereunder.

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ARTICLE 2

OVERVIEW; JOINT EXECUTIVE COMMITTEE

2.1Scope of Collaboration.

(a)Goals. The Parties shall, pursuant to this Agreement, collaborate to (i) conduct Collaboration Studies, (ii) Develop the Products in the Field pursuant to the Joint Development Plan and (iii) Commercialize the Products in the Field in the Territory.

(b)Pre-existing Clinical Trial Agreement. This Agreement shall supersede and replace the Clinical Trial Agreement as of the Effective Date for all Combined Therapy Trials (as defined in the Clinical Trial Agreement), including with respect to any intellectual property rights arising from such Combined Therapy Trials; *provided*, *however*, that any "Development Costs" incurred with respect to a Combined Therapy Trial (as defined in the Clinical Trial Agreement) that has enrolled its first patient on or prior to the Effective Date of this Agreement (i) shall be reported by each Party pursuant to the reporting mechanisms set forth in this Agreement and (ii) such "Development Costs" shall be shared between the Parties pursuant to the cost allocations set forth in this Agreement, in each case commencing on the first calendar day of the next calendar month following the Effective Date. For clarity, any Combined Therapy Trial (as defined in the Clinical Trial Agreement) that has not enrolled its first patient on or prior to the Effective Date of this Agreement but that has incurred "Development Costs" (x) shall be reported by each Party pursuant to the reporting mechanisms set forth in this Agreement and (y) any incurred "Development Costs" shall be shared between the Parties pursuant to the cost allocations set forth in this Agreement, in each case commencing on the Effective Date. Notwithstanding anything to the contrary in this Section, the approved budget for each Combined Therapy Trial (as defined in the Clinical Trial Agreement) that has enrolled its first patient on or prior to the Effective Date shall be retained until and unless the JDC under this Agreement approves any amendments thereto. To be clear, this Agreement shall supersede and replace the Clinical Trial Agreement as of the Effective Date for any rights or obligations created under the Clinical Trial Agreement, including in respect of any Collaboration Studies or Independent Studies initiated hereunder but, for clarity, shall not act as a waiver for any accrued obligation under the Clinical Trial Agreement.

2.2Joint Executive Committee. Promptly after the Effective Date, the Parties shall form a Joint Executive Committee (the "***JEC***"). The JEC shall consist of [***]. Each Party shall be responsible for determining the qualifications and substitutions of its JEC members. The JEC shall be co-chaired with one chairperson designated by each Party (each, a "***JEC Co-Chair***"). The JEC shall meet at least [***], or at such other frequency as the JEC agrees (and it may appoint working teams to meet more frequently), *provided that* either Party through its JEC Co-Chair may request a meeting of the JEC at any time upon [***] notice to the other Party, with the understanding that the other Party will use reasonable efforts to comply with such request but such other Party will not be in breach of this Agreement in the event that it is unable to comply with such request but is using reasonable efforts to conduct a JEC meeting as promptly as practicable.

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Upon request by either Party, such meetings will be held by audio or video teleconference; *provided that* face-to-face meetings shall occur at least [***], alternating between Princeton, NJ and San Francisco, CA unless otherwise agreed upon by the Parties. There must be a minimum of [***] from each Party at any meeting of the JEC to constitute a quorum for decision-making. No fewer than [***] prior to each meeting, and in any event as soon as reasonably practicable, each Party shall use good faith efforts to disclose to the other Party any proposed agenda items together with appropriate supporting information. The Alliance Managers shall alternate responsibility for preparing and circulating definitive minutes of each meeting of the JEC. Such minutes shall provide a description, in reasonable detail, of the discussions at the meeting, a list of material actions and decisions made by the JEC, a list of action items made by the JEC and a list of material issues not resolved by the JEC. The Alliance Manager who drafts the minutes shall provide the other Alliance Manager and each Party's JEC Co-Chair with the initial draft meeting minutes, who shall return the draft with any proposed changes, and this process shall be repeated until a final version of the meeting minutes is agreed upon and signed (or acknowledged as final via email) by the two JEC Co-Chairs. The Parties shall reasonably cooperate to complete and agree upon a final version of meeting minutes within [***] from the date of the relevant meeting. The final version of the meeting minutes shall be signed (or acknowledged as final via email) by the two JEC Co-Chairs, and each Party shall be provided with a copy of the final meeting minutes for its safekeeping. A reasonable number of additional representatives of a Party may attend meetings of the JEC in advisory capacity with the prior written consent of the other Party; *provided that* any JEC meetings that includes representatives of either Party who are not JEC members may, at the request of any JEC member, include a closed session consisting of only JEC members and Alliance Managers. All representatives to the JEC or attending JEC meetings shall be subject to confidentiality and nonuse restrictions at least as restrictive as those set forth herein.

2.3Responsibilities of the JEC. The JEC shall have overall responsibility for the collaboration of the Parties pursuant to this Agreement, including (a) overseeing the Development and Commercialization of the Nektar Compounds and Products; (b) reviewing, resolving, and/or approving such matters as are referred to it by the Alliance Managers, JFC, JDC, JCC, JMC; and (c) performing such other duties as are expressly assigned to the JEC in this Agreement.

ARTICLE 3

JOINT DEVELOPMENT

3.1Joint Development Plan.

(a)Performance of Development Program. Nektar and BMS will act in good faith, using Commercially Reasonable Efforts, to perform their assigned tasks and responsibilities as described in the Development Program.

(b)Joint Development Plan. The Joint Development Plan describes the work to be pursued by Nektar and BMS during each Calendar Year, which plan shall include a

Development Budget for each Collaboration Study. The Joint Development Plan may be updated at any time by mutual agreement of the Parties at a meeting of the JDC or by written agreement (including by email acknowledgment) of the JDC Co-Chairs without a meeting. Any material amendments to the Joint Development Plan ("***Material Amendments***"), including the following, will be subject to mutual agreement of the Parties at a meeting of the JDC:

(i)adding or removing a Collaboration Study;

(ii)amending the Development Budget;

(iii)delaying the start of a Collaboration Study by [***];

(iv)approving any investigator-initiated study or investigator-initiated research for a Monotherapy or Combined Therapy;

(v)changing the tumor type(s) for a Collaboration Study;

(vi)changing the Indication or line of therapy for a Collaboration Study;

(vii)changing the compounds used in combination with the Product in a Collaboration Study;

(viii)changing the patient population of a given Collaboration Study;

(ix)changing the primary end points or key secondary end points for the Collaboration Study;

(x)materially changing the number of patients to be enrolled in a Collaboration Study;

(xi)material changes in the Statistical Analysis Plan or a Bioanalysis Plan; and

(xii)any other matters that the JDC or the Parties may agree are Material Amendments.

(c)Neither Party shall be required to continue a Collaboration Study if a Party (i) reasonably deems there to be a Material Safety Issue for such Collaboration Study or (ii) receives communications from a Regulatory Authority ordering or suggesting the discontinuation of such Collaboration Study. Prior to the discontinuation of such Collaboration Study, representatives of the JDC shall meet and discuss in good faith such Material Safety Issue or such Regulatory Authority communication.

3.2Collaboration Study Management.

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(a)The Joint Development Plan will set out each Collaboration Study to be performed under the Joint Development Plan, including the initial NKTR-214 Clinical Trials set forth in the initial Joint Development Plan (each such initial NKTR-214 Clinical Trials, an "***Initial Trial***"). The JDC shall determine the Lead Party and Sponsor for each Collaboration Study and the latest date by which each Collaboration Studies must have its first patient enrolled (the "***Diligence Date***") (subject to Allowable Delays), provided that, unless otherwise agreed by the Parties, Nektar shall be the Lead Party and Sponsor for each Monotherapy Collaboration Study. Notwithstanding anything to the contrary in this Agreement, the Lead Party and Sponsor (if different) for each Initial Trial shall be set forth in the initial Joint Development Plan. Each Initial Trial shall commence as soon as practicable and the last Diligence Date for all such trials is fourteen (14) months from the Effective Date, subject to tolling for Allowable Delays. The Parties intend to agree on end points for each Initial Trial that are intended, if met, to be sufficient to support a Nektar Compound Filing for Regulatory Approval.

(b)The JDC shall consider the capabilities of each Party and how to maximize the efficiency of the applicable Collaboration Study when determining the Lead Party for such Collaboration Study; *provided that* Nektar shall maintain a substantial operational role with respect to the overall clinical Development of the Product.

(c)If all the Collaboration Studies for a particular Collaboration Therapy do not meet their agreed primary end points, such Collaboration Therapy will, unless otherwise agreed by the Parties, be removed from the Joint Development Plan and Schedule 1.43 by written notice from either Party to the other and the Parties shall use reasonable efforts to wind down activities related solely to such removed Collaboration Studies and will apply in this respect the principles set forth in Section 16.6. If BMS is the Lead Party conducting one or more Collaboration Studies in a particular Collaboration Therapy and does not meet its Diligence Date (subject to Allowable Delays) for all of the Collaboration Studies in such Collaboration Therapy, such Collaboration Studies will remain in the Joint Development Plan, but the restrictions set forth in Section 7.3(d) will no longer apply to such Collaboration Therapy.

(d)Each Collaboration Study shall be conducted in accordance with a protocol (each, a "***Protocol***") to be drafted by its Lead Party. Such Protocol shall be mutually agreed upon by the Parties at a meeting of the JDC. Any substantive amendments to a Protocol will be subject to mutual agreement of the Parties at a meeting of the JDC or by written agreement (including by email acknowledgment) of the JDC Co-Chairs without a meeting.

(e)The JDC shall decide under which IND a Collaboration Study shall be conducted under; *provided that*, unless otherwise agreed by the Parties:

(i)if a Collaboration Study is for a Nektar Compound for use as Monotherapy, such trial shall be conducted under an existing IND for which Nektar is the Sponsor or a new IND for which Nektar shall be the Sponsor;

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(ii)if a Collaboration Study is for NKTR-214 for use as a Combined Therapy, such trial shall be conducted under either (A) an existing IND for which Nektar is the Sponsor or (B) if a new IND is required, a new IND for which the Lead Party shall be the Sponsor; and

(iii)if such Collaboration Study is for a Nektar Compound (other than NKTR-214) for use as a Combined Therapy, such trial shall be conducted under a new IND for which the Lead Party shall be the Sponsor.

(iv)Nektar IND. Nektar shall have complete legal interest in and control of each Nektar IND. Without limiting the obligation to share Net Profits under this Agreement, in no event will Nektar be required to obtain the consent of BMS to transfer or encumber any Nektar IND, and Nektar shall not have any obligation to share with BMS any consideration received in connection with the sale, license, use or other conveyance of any Nektar IND, *provided* that the transferee or encumbrance holder agrees to abide by the terms and conditions of this Agreement. Nektar shall have complete control as to any Right of Cross-Reference granted by Nektar to a Third Party solely with respect to any portion of a Nektar IND relating to a Nektar Compound for use as monotherapy.

(v)Combined Therapy Collaboration IND. Each Party shall have a beneficial one-half interest in each Combined Therapy Collaboration IND; *provided*, *however*, that: (A) in no event will either Party be required to obtain the consent of the other Party to transfer or encumber its interest in a Combined Therapy Collaboration IND; *provided* that (1) the transferee or encumbrance holder agrees to abide by the terms and conditions of this Agreement, (2) any transfer occurs only in connection with, and to the same transferee of, a transfer of all of a Party's rights in its applicable Single Agent Compound, and (3) each Party provide written notice of such transfer or encumbrance to the other Party within thirty (30) calendar days of such transfer or encumbrance; and (B) the Lead Party shall be the sole holder of all legal interests in the applicable Combined Therapy Collaboration IND, and without limiting the obligation to share Net Profits under this Agreement, neither Party shall have any obligation to share with the other Party any consideration received in connection with the sale, license or use of its interest in such Combined Therapy Collaboration IND where permitted by this Agreement. Each Party is permitted to grant any Third Party a Right of Cross-Reference with respect to any portion of a Combined Therapy Collaboration IND relating to a Nektar Compound's use in an Independent Study (and Nektar will cooperate and grant such Right of Cross-Reference solely with respect to any portion of a Nektar IND relating to a Nektar Compound's use in an Independent Study, whether Nektar or BMS is the Lead Party). Each Party shall provide a Right of Cross-Reference to its existing respective INDs or future INDs for its respective Single Agent Compound(s) as necessary to allow Combined Therapy Collaboration Studies to be conducted under applicable Nektar INDs or Combined Therapy Collaboration INDs. For the avoidance of doubt, each Party shall be responsible for (X) drafting and updating as necessary the investigator's brochure for its respective Single Agent Compound(s) and (Y) filing all necessary Regulatory Documentation to the existing or

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future INDs for its respective Single Agent Compound(s), including the submission to such existing or future INDs of Serious Adverse Events and adverse drug reaction cases emerging from any Collaboration Study or any Independent Study.

(f)Each Party will make available and promptly disclose to the other Party all results of the work conducted by such Party pursuant to the Development Program, and this Agreement, and will keep such records (paper and electronic) as described herein. Each Party will maintain records of the results in sufficient detail and in good scientific manner appropriate for patent purposes, and in a manner that properly reflects all work done and results achieved in the performance of the Development Program (including all data, such as minutes from dose escalation meetings with any Regulatory Authority and all final clinical study reports, in the form required to be maintained under any applicable governmental regulations). Unless already provided pursuant to the Clinical Trial Agreement:

(i)Nektar shall provide BMS with the following relating to each Nektar Compound: [***]. All such disclosures are Confidential Information of Nektar.

(ii)BMS shall provide Nektar with the following relating to the BMS Compound: [***]. All such disclosures are Confidential Information of BMS.

(iii)The Lead Party for each Collaboration Study will make available and promptly disclose to the other Party all safety analyses for each Collaboration Study in accordance with the applicable Statistical Analysis Plan. Each Party shall use any such data provided pursuant to this Section 3.2(f)(iii) solely to evaluate the safety of (A) its own compound for use in the Collaboration Studies and Independent Studies, (B) the Combined Therapy and (C) as permitted elsewhere in this Agreement. All such disclosures are Confidential Information of both Parties; *provided that* any disclosures regarding a Monotherapy Collaboration Study for use of a Nektar Compound as a Monotherapy are the Confidential Information of Nektar.

(g)If further studies, including toxicity studies, are required or suggested by a Regulatory Authority as a prerequisite for conducting any of the Collaboration Studies, then the Parties agree to hold good faith discussions in a timely manner to agree upon a protocol for such studies, each of which will be considered a Collaboration Study and conducted on substantially the same terms as set forth herein (including the Development Cost sharing); *provided that*, if the Parties are unable to agree upon a protocol for such study or if the conduct of such study shall cause a delay deemed unsatisfactory by either Party, then such JDC Dispute shall be referred to the JEC for resolution pursuant to Section 3.7.

3.3Joint Development Committee.

(a)General. Promptly after the Effective Date, the Parties shall form a Joint Development Committee (the "***JDC***"). The JDC shall consist of [***]. Each Party shall be responsible for determining the qualifications and substitutions of its JDC members. It is

anticipated that each Party's representatives may include experts in finance, clinical development, patient safety, regulatory affairs and pharmaceutical quality. The JDC shall be co-chaired with one chairperson designated by each Party (each, a "***JDC Co-Chair***"). The JDC shall meet at least [***], or at such other frequency as the JDC agrees (and it may appoint working teams to meet more frequently), *provided that* either Party through its JDC Co-Chair may request a meeting of the JDC at any time upon [***] notice to the other Party, with the understanding that the other Party will use reasonable efforts to comply with such request but such other Party will not be in breach of this Agreement in the event that it is unable to comply with such request but is using reasonable efforts to conduct a JDC meeting as promptly as practicable. Upon request by either Party, such meetings will be held by audio or video teleconference; *provided that* face-to-face meetings shall occur at least [***], alternating between Princeton, NJ and San Francisco, CA unless otherwise agreed upon by the Parties. There must be a minimum of [***] from each Party at any meeting of the JDC to constitute a quorum for decision-making. No fewer than [***] prior to each meeting, and in any event as soon as reasonably practicable, each Party shall use good faith efforts to disclose to the other Party any proposed agenda items together with appropriate supporting information. The Alliance Managers shall alternate responsibility for preparing and circulating definitive minutes of each meeting of the JDC. Such minutes shall provide a description, in reasonable detail, of the discussions at the meeting, a list of material actions and decisions made by the JDC, a list of action items made by the JDC and a list of material issues not resolved by the JDC. The Alliance Manager who drafts the minutes shall provide the other Alliance Manager and each Party's JDC Co-Chair with the initial draft meeting minutes, who shall return the draft with any proposed changes, and this process shall be repeated until a final version of the meeting minutes is agreed upon and signed (or acknowledged as final via email) by the two JDC Co-Chairs. The Parties shall reasonably cooperate to complete and agree upon a final version of meeting minutes within [***] from the date of the relevant meeting. The final version of the meeting minutes shall be signed (or acknowledged as final via email) by the two JDC Co-Chairs, and each Party shall be provided with a copy of the final meeting minutes for its safekeeping. A reasonable number of additional representatives of a Party may attend meetings of the JDC in advisory capacity with the prior written consent of the other Party; *provided that* any JDC meetings that includes representatives of either Party who are not JDC members may, at the request of any JDC member, include a closed session consisting of only JDC members and Alliance Managers. All representatives to the JDC or attending JDC meetings shall be subject to confidentiality and nonuse restrictions at least as restrictive as those set forth herein.

(b)Responsibilities of the Joint Development Committee. Each Party shall use Commercially Reasonable Efforts to keep the JDC informed about activities performed by that Party under the Development Program. The JDC will be responsible for the overall oversight of the Development Program. The JDC (or in the absence of a formal JDC meeting the Co-Chairs) shall be responsible for the following:

(i)overseeing the Development Program, including approving the Joint Development Plan and any Material Amendments thereto;

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(ii)overseeing the activities of the Parties with respect to the Collaboration Studies, and providing a forum for the Parties to discuss, monitor and coordinate all activities and communications regarding the Collaboration Studies;

(iii)approving the annual, high-level Development Budget for each Collaboration Study (as reviewed and provided by the JFC to the JDC), including reviewing and approving any costs for a given budget of a Collaboration Study that are reasonably anticipated to be greater than [***] of the JDC-approved budget;

(iv)determining the Lead Party (and any secondary study sponsor and operational responsibilities of such sponsor) and Diligence Date for each Combined Therapy Collaboration Study;

(v)reviewing (A) the progress of each Collaboration Study, (B) the proposed plan for medical monitoring and site audits and (C) the results of such medical monitoring and site audits;

(vi)reviewing and approving with respect to each Collaboration Study (A) the applicable Protocol and the Statistical Analysis Plan, and any proposed substantive amendment thereto and (B) the CRO Agreement(s) and proposed material amendments thereto;

(vii)reviewing and approving any immunogenicity analysis for each Combined Therapy Collaboration Study, including protocol and Person to do the analysis;

(viii)reviewing and approving any Bioanalysis Plan not set forth in the Protocol, and any material amendments thereto;

(ix)reviewing and providing timely comments to proposed communication strategies and communications with any Regulatory Authority regarding the conduct of the Combined Therapy Collaboration Studies and, if applicable, approving such proposed communications and communication strategies;

(x)approving any IND submitted for a Combined Therapy Collaboration Study, as well as reviewing material submissions to any such IND in accordance with Article 10 (Global Regulatory);

(xi)reviewing any Collaboration Study Regulatory Documentation, or portions thereof, that relate to the Combined Therapy, in accordance with Article 10 (Global Regulatory);

(xii)reviewing any Regulatory Documentation from any Combined Therapy Independent Study, or portions thereof, that relate to the use of the Nektar Compound in the Combined Therapy, in accordance with Article 10 (Global Regulatory);

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(xiii)subject to Section 3.4(c), agreeing on the final list of proposed clinical trial sites pursuant to Section 3.4(c), and agreeing on communications to clinical trial sites or IRBs relating to patient safety or early termination/cessation of a Collaboration Study;

(xiv)appointing working teams, to be made up of representatives from each Party, that will hold telephone discussions at a mutually agreed-upon frequency to review clinical development, Protocols, patient safety and regulatory issues that arise in the course of a study under the Joint Development Plan, and delegating certain decision-making authority to such working teams;

(xv)determining the quantities of Nektar Assets, BMS Assets, Third Party Asset and any co-medications, necessary for the Collaboration Studies within a sufficient minimum lead time and coordinating the supply of such quantities by the respective Party in accordance with Article 5 and the Supply Agreements;

(xvi)reviewing and approving, in advance, any additional analyses of, or that include, the Collaboration Study Data proposed by either Party that are not included in the Statistical Analysis Plan; *provided that*, for clarity, such review and approval shall not apply to analyses by a Party of the monotherapy data for its own Single Agent Compound (other than the Nektar Compound, in the case of Nektar);

(xvii)reviewing and approving use of any Samples in accordance with Section 11.8 that are not described in the Protocol and ICF, so long as the JDC remains in force and effect;

(xviii)for any CROs or Third Party contractors engaged after the Effective Date, reviewing and approving (A) the selection of any such CRO and Third Party contractor (other than individuals in a Party's workforce who are engaged on an independent contractor basis) that has a material role in each Collaboration Study pursuant to Section 3.4(c) and (B) the terms of any such CRO contract or pharmacovigilance contract ("***CRO Agreement***");

(xix)reviewing and approving the template ICF form, template case report form and template clinical site study agreement to be used in a given Collaboration Study;

(xx)reviewing and approving the countries in which each Collaboration Study will be conducted, as set forth in Section 3.4(a);

(xxi)approving the final clinical trial report (and/or final statistical analysis in accordance with the Statistical Analysis Plan) from each Collaboration Study;

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(xxii)for each Collaboration Study, delegating to the Lead Party certain decision-making authority in relation to certain JDC responsibilities, in each case that do not constitute Material Amendments or any matters for which a Party has final decision-making authority under Section 3.8;

(xxiii)subject to any Third Party limitations in respect of Confidential Information, reviewing and discussing progress reports relating to the Independent Studies and activities performed by either Party pursuant to Section 3.9; and

(xxiv)discussing any other topics or issues relating to the Collaboration Studies that either Party requests that cannot be resolved at the working team level.

3.4Operational Authority Generally.

(a)The Lead Party shall, subject to the oversight and determinations of the JDC as provided in Sections 3.3(a) and 3.3(b), the terms of the applicable Protocol, the decisions and guidance of applicable committee(s) and/or working teams, and applicable terms and conditions of this Agreement: (i) manage and be primarily responsible for the conduct of the applicable Collaboration Study; (ii) be the sponsor and regulatory lead with respect to such Collaboration Study; and (iii) as between the Parties, be the lead with respect to (A) the selection and management of clinical study sites (including budget negotiations with vendors, timelines and contingency planning), subject to Sections 4.2(a)(v), 4.2(b)(x) and 4.2(c)(x) with respect to site selection and subject to the non-Lead Party's consent as to the country(ies) where such Collaboration Study will be conducted, (B) conducting clinical study start-up activities, communicating with and obtaining approval from institutional review boards and/or ethics committees, as applicable, and drafting for both Parties' approval the template informed consent form ("***ICF***") for such Collaboration Study, (C) subject recruitment and retention activities, (D) ongoing site monitoring and quality assurance audits, (E) management of safety reporting by contract research organizations and clinical study sites, (F) ongoing medical monitoring, (G) management, monitoring and audits of CROs in connection with each CRO involved in the conduct of such Collaboration Study, and (H) inquiries from clinical study subjects (subsections (A)-(H), collectively, the "***Operational Matters***"). The Lead Party shall use Commercially Reasonable Efforts to perform such Operational Matters. The JDC shall set up a mechanism for the non-Lead Party or a working team of the JDC to be informed and updated on a timely periodic basis regarding Operational Matters, so that if such non-Lead Party has any concerns or disagreements regarding same, the matter can be escalated to the JDC for review.

(b)The Lead Party shall provide the non-Lead Party with access to the safety information and Study Data of the applicable Collaboration Study in accordance with Sections 4.2(b)(vi), 4.2(b)(viii), 4.2(c)(vi) and 4.2(c)(viii).

(c)BMS acknowledges that Nektar, prior to the Execution Date, has (i) selected and entered into agreements with certain CROs, investigators and Third Party contractors (the list of which is attached as Schedule 3.4(c), (ii) identified a number of clinical trial

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sites, and (iii) completed study initiation visits, and BMS approves of such sites, investigators, CROs and Third Party contractors. BMS acknowledges that the CRO Agreements and/or any other documents related to such CROs, investigators, Third Party contractors and clinical trial sites have been made available to BMS prior to the Execution Date, and BMS hereby approves the continuation of such agreements on their terms (including the budgets and pricing included therein). For any additional CROs, investigators, Third Party contractors or clinical trial sites proposed after the Effective Date, the Lead Party of a Collaboration Study, after discussion with the non-Lead Party, will create and provide the JDC with a proposed list of potential clinical trial site(s), CROs, investigators (including IMS grant plan analysis and/or a model investigator grant budget) and Third Party contractors that may be used to conduct such Collaboration Study, with the final list to be subject to JDC (or Co-Chairs) approval within [***] (such JDC-approved list being the "***Site/CRO List***"). Except as otherwise noted in this Section 3.4(c), the proposed Site/CRO List will be provided to the JDC prior to the Lead Party initiating site selection negotiations or visits (for sites/investigators) or CRO negotiations (for CROs) for such Collaboration Study. The Lead Party shall have the authority to select the final Clinical Trial sites, CROs, investigators and Third Party contractors from the Site/CRO List. In the event that additional sites, CROs, investigators or Third Party contractors need to be added after the initial list is approved, a new list will be created by the Lead Party that includes the proposed new sites, CROs, investigators or Third Party contractors and such list will be provided to the JDC for approval by the JDC (or Co-Chairs) within ten (10) Business Days per this Section 3.4(c).

3.5Alliance Managers. Each of the Parties will appoint one representative to act as its alliance manager under this Agreement as soon as practicable after the Effective Date (each, an "***Alliance Manager***"). The role of the Alliance Manager is to act as a primary point of contact between the Parties to assure a successful relationship between the Parties. The Alliance Managers will attend all meetings of the JDC and support the JDC in the discharge of its responsibilities. An Alliance Manager may bring any matter concerning a Party's performance under this Agreement to the attention of the JDC if the Alliance Manager reasonably believes that such attention is warranted. Each Party may change its designated Alliance Manager from time to time upon written notice to the other Party. Any Alliance Manager may designate a substitute to temporarily perform the functions of such Alliance Manager upon written notice to the other Party's Alliance Manager. Each Alliance Manager will be charged with creating and maintaining a collaborative work environment within the JEC, JDC, JCC, JFC and JMC. Each Alliance Manager also will:

(a)be the point of first referral in all matters of dispute resolution in accordance with Section 15.1;

(b)provide a point of communication both internally within its respective Party's organization(s) and between the Parties regarding the Joint Development Plan and the activities undertaken in connection with such plan as well as Commercialization and Manufacturing matters;

(c)assist in coordinating any collaborative efforts under this Agreement, if any, and any external communications; and

(d)take responsibility for ensuring that JEC, JDC, JCC, JFC and JMC activities, such as the conduct of required JDC meetings, occur as set forth in this Agreement and that relevant action items, if any, resulting from such meetings are appropriately carried out or otherwise addressed.

3.6Joint Development Committee Decision-Making.

(a)[***]. In the absence of a formal meeting, the JDC Co-Chairs shall have decision-making authority for the JDC, so long as any decisions are documented as provided below.

(b)The JDC shall have the right to make only those determinations expressly enumerated as decisions of the JDC in this Agreement; *provided that* such determinations are documented in the written minutes signed (or acknowledged as final via email) by the JDC Co-Chairs.

(c)Notwithstanding anything to the contrary in this Agreement, the JDC will have no power (i) to amend this Agreement or (ii) to modify either Party's obligations with regard to a study in the Joint Development Plan without such Party's prior written consent; in each case, except by a writing (and that is not the minutes of a meeting) signed by both Parties.

3.7Dispute Resolution. The representatives of the JDC shall attempt in good faith to reach consensus on all matters properly brought before the JDC. Except as otherwise provided in this Agreement, if, after a good faith, reasonable and open discussion among the members of the JDC, the JDC is unable to agree on a matter that has been properly before it for a period of [***] and that calls for a decision, either Party may refer the dispute (a "***JDC Dispute***") to the JEC for resolution. If the JEC is unable to reach a resolution within [***] of the referral of the JDC Dispute to the JEC, either Party may refer such JDC Dispute to the Executive Officers for resolution. If the Executive Officers are unable to reach a resolution within [***] of such referral then:

(a)if such JDC Dispute regards whether or not to commence a Clinical Trial as a new Collaboration Study (i.e., include a Clinical Trial (other than an Initial Trial) into the scope of the Joint Development Plan), then such Clinical Trial [***];

(b)if such JDC Dispute regards the initial Protocol and its contents (further to Section 3.2(d)) or the initial budget for any Collaboration Study, in each case before the commencement of such applicable Collaboration Study, then [***];

(c)if such JDC Dispute occurs subsequent to the commencement of a Collaboration Study, and relates to either (1) a material amendment requiring mutual agreement proposed by either Party to an agreed-upon Protocol or protocol synopsis, CRO Agreement, Bioanalysis Plan or Statistical Analysis Plan relating to such Collaboration Study or (2) any other matter relating to the strategy, conduct, rationale, or safety of such Collaboration Study, there shall be no decision on the matter and the then-existing terms of the applicable Protocol, protocol

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synopsis, CRO Agreement, Bioanalysis Plan or Statistical Analysis Plan relating to such Collaboration Study shall govern. Notwithstanding the foregoing, neither Party shall be required to continue its involvement in a Collaboration Study if a Party reasonably deems there to be a Material Safety Issue for such Collaboration Study. Each Party's safety committee shall, to the extent practicable, meet and discuss in good faith the Material Safety Issue and if unresolved within [***], the applicable Collaboration Study shall be discontinued. The Parties shall use reasonable efforts to wind down activities related solely to such discontinued Collaboration Study in accordance with Sections 16.4 and 16.6; and

(d)if such JDC Dispute is not otherwise addressed by Section 3.7(a), Section 3.7(b), Section 3.7(c), Section 3.8 (Final Decision-Making Authority of the Parties) or Section 5.5 (Manufacturing Option), the dispute shall be resolved through arbitration as provided for in Section 15.3.

3.8Final Decision-Making Authority of the Parties. In the event a JDC Dispute is unresolved pursuant to Section 3.7 as set forth above, each Party shall have final decision-making authority as follows:

[***].

3.9Formulation Development.

(a)Fixed Dose Combinations. Neither Party shall have the right to (i) conduct any registrational Clinical Trial with any Fixed Dose Combination Product, (ii) make a Filing with respect to a Fixed Dose Combination Product or (iii) Commercialize any Fixed Dose Combination Product, whether alone or in combination with other Persons. Each Party has the right to conduct preclinical and Phase I Studies (but not if such study could also be considered a registrational study) of any Fixed Dose Combination Product at its own cost. If the Parties agree (each at their sole discretion) to jointly Develop or Commercialize any Fixed Dose Combination Product, such Development or Commercialization will be conducted in accordance with a separate agreement, or an amendment to this Agreement, negotiated between the Parties. For clarity, no Party shall be obligated to collaborate with the other Party or to agree on any terms with the other Party with respect to any Fixed Dose Combination Product.

(b)Alternative Formulations. Each Party has the right to conduct preclinical and non-registrational studies and Clinical Trials of any alternative formulation or method of administration of the Nektar Compound or Product (including subcutaneous formulations) at its own cost. If the Parties agree (each at their sole discretion) to jointly Develop or Commercialize any alternative formulations or methods of administration of the Nektar Compound or Product, such Development and Commercialization will be conducted in accordance with a separate agreement, or an amendment to this Agreement, negotiated between the Parties. For clarity, no Party shall be obligated to collaborate with the other Party or to agree on any terms with the other Party with respect to any such alternative formulation or method of administration and neither

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Party has any right to seek Regulatory Approval of or Commercialize any alternative formulations or methods of administration of the Nektar Compound or Product under this Agreement.

(c)Each Party shall keep the JDC reasonably informed as to the progress of any activities conducted pursuant to this Section 3.9.

3.10Conduct. Each Party shall use Commercially Reasonable Efforts to perform and fulfill its respective Development activities under this Agreement, including all remaining pre-clinical and clinical testing necessary or useful for Developing the Product and the preparation and submission of the appropriate Regulatory Documentation required for the Commercialization of the Products in the Field in the Territory, and each Party shall do so in accordance with Applicable Law.

ARTICLE 4

DEVELOPMENT RESPONSIBILITIES

4.1General Responsibilities of the Parties. Subject to the terms of this Agreement, each Party shall use Commercially Reasonable Efforts to (a) perform the Development activities assigned to it pursuant to this Agreement; (b) conduct and complete each Collaboration Study for which it is the Lead Party and any Statistical Analysis Plans and Bioanalysis Plans relating thereto on a timely basis in accordance with the Protocol, Bioanalysis Plans, Statistical Analysis Plans and Third Party agreements relating thereto; and (c) timely provide Rights of Cross-Reference where required by this Agreement.

4.2Specific Responsibilities of the Parties. Each Party shall use Commercially Reasonable Efforts to conduct and shall be responsible for activities assigned to it by the applicable Protocols and/or the JDC that such Party is not otherwise obligated to perform by this Agreement, *provided that*, except as set forth in this Agreement, in no event shall either Party be obligated to perform any such assigned activities without its prior written consent (which may be reflected in the minutes of meetings of the JDC or in a Protocol). As of the Effective Date, each Party shall be responsible for the following activities:

(a)Responsibilities of the Lead Party. Subject to Section 10.1 and JDC direction and oversight as provided in Section 3.3(b), each Lead Party shall be responsible for the following activities for each Collaboration Study:

(i)with the cooperation of the non-Lead Party, compiling, amending and filing all necessary Collaboration Study Regulatory Documentation with Regulatory Authority(ies) and maintaining and making all required submissions to Regulatory Authorities related thereto on a timely basis;

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(ii)with the cooperation of the non-Lead Party, and subject to the provisions of Section 12.5, listing any Collaboration Study required to be listed on a public database such as www.clinicaltrials.gov or other public registry in any country in which such Collaboration Study is being conducted in accordance with Applicable Law and in accordance with the Lead Party's internal policies relating to clinical trial registration; provided that the non-Lead Party shall provide the Lead Party with written notice of any comments to a proposed listing within [***] of the date on which the Lead Party provides the applicable information to the non-Lead Party;

(iii)drafting and, subject to Sections 3.3(b) and 3.4(c), providing the non-Lead Party (through the JDC or otherwise) for its review and approval, each Protocol and investigator's brochure for a Collaboration Study, and the related template ICF, template clinical site agreement, Bioanalysis Plan and Statistical Analysis Plan, and any material amendments to each of the foregoing (provided that the non-Lead Party shall provide the Lead Party with such approval or rejection within [***] of the date on which the Lead Party provides the applicable document to the non-Lead Party);

(iv)managing the operations of the Collaboration Studies in accordance with the applicable Protocol, including overseeing compliance by any CRO with the terms of its agreement with the Lead Party relating to the Collaboration Study;

(v)subject to Sections 3.3(b) and 3.4(c), providing to the non-Lead Party a list of all proposed clinical trial sites and principal investigator(s) for each Collaboration Study;

(vi)subject to Sections 3.3(b) and 3.4(c), ensuring that all clinical trial service agreements and clinical trial site agreements (A) contain intellectual property provisions that retain each of the Parties' respective intellectual property rights in the BMS Assets, Nektar Assets and the Combined Therapy, and (B) allow for the non-Lead Party, as well as the Lead Party, to the extent permitted by Applicable Law and any Third Party confidentiality restrictions or obligations, to audit Collaboration Study sites for quality assurance and to inspect and copy data, documentation and work products relating to the activities performed by the site, including the medical records of any patient participating in any clinical study; provided that should the non-Lead Party seek to audit a study site (1) the non-Lead Party shall solely bear the cost and expense for such audit, (2) the Lead Party shall accompany the non-Lead Party to such audit, at a date and time mutually agreed upon by the Parties and the applicable study site, and (3) the non-Lead Party shall provide the Lead Party with a copy of any reports resulting from such audit. This right to inspect and copy data, documentation, and work products of a study site may be exercised at any time during the Term, or such longer period as shall be required by Applicable Law;

(vii)providing the non-Lead Party with copies of each final site template ICF (if requested by the non-Lead Party);

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(viii)providing the non-Lead Party with minutes from any and all external drug safety monitoring boards for the Collaboration Studies, if applicable, within [***] after receipt by the Lead Party;

(ix)providing the non-Lead Party with updates on the status of the Collaboration Studies at each teleconference for the clinical execution working team, or upon the non-Lead Party's reasonable request, including information regarding the number and status of study sites, the number of screened subjects (actual to target), the number of randomized subjects (actual to target), the number of dosed, ongoing, discontinued and completed subjects, and any safety updates as contemplated by the applicable Protocol, Section 3.2(e)(v), and/or routinely performed by a Party in its normal course of trial management and reporting;

(x)analyzing the Study Data in a timely fashion and providing the non-Lead Party with access to the Study Data from the applicable Collaboration Study as follows (and within the timeframes below or such other timeframes as agreed by the JDC):

(A) pursuant to an appropriate timetable determined by the JDC: (1) sharing with the non-Lead Party for review and comment drafts of interim, ongoing and/or final clinical trial reports (and/or statistical analyses in accordance with the Statistical Analysis Plan) from each Collaboration Study and (2) providing the raw Study Data in electronic or other mutually agreed format;

(B) within [***] after Database Lock, access to safety information that will be used for an interim review by an external consultant (or drug safety monitoring board, if required) to be agreed upon by the Parties and in accordance with the Pharmacovigilance Agreement;

(C) within [***] after Database Lock, access to case report forms or patient profiles for all patients in each Collaboration Study; and

(D) within [***] of the creation of a quality checked and closed database for the Collaboration Study, copies of the Form 1572s, financial disclosures and other relevant documents required to meet regulatory requirements related to the Collaboration Studies (including any data or documents that may be required to provide Aggregate Safety Information to a Regulatory Authority with respect to the Nektar Compound or BMS Compound);

(E) within [***] of the creation of an electronic quality checked and closed database for the Collaboration Study, an electronic copy of the such database (it being understood that the form and format of such database must

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be reasonably acceptable to both Parties and shall be determined by the JDC); and

(F) providing the non-Lead Party with any programs or SAS codes to be used for the Statistical Analysis Plan for the Collaboration Study.

(xi)obtaining supplies of any co-medications, to the extent any such co-medications are required for use in any Collaboration Study, and providing to the non-Lead Party any information related to each Collaboration Study that is provided to the manufacturer of any co-medication pursuant to Section 12.3 herein within [***] after the provision of the information to the manufacturer;

(xii)performing, either directly or through Third Parties, collection of Samples; and

(xiii)such other responsibilities as may be agreed to by the Parties or determined by the JDC.

(b)Responsibilities of Nektar. Subject to Section 10.1 and JDC direction and oversight as provided in Section 3.3(b), Nektar shall be responsible for the following activities:

(i)(A) Manufacturing the Nektar Assets for use in the Collaboration Studies and Independent Studies, and, if applicable, providing for the release by a Qualified Person (as such term will be defined in the applicable Quality Agreement) or providing the necessary documentation in support of quality release, of the Nektar Assets if such release is required for the Collaboration Studies and Independent Studies, (B) if applicable, packaging and Labelling Bulk Form BMS Assets provided by BMS to Nektar for use in the Collaboration Studies and Independent Studies, and (C) for each Collaboration Study for which Nektar is the Lead Party, providing the JDC (or a working team designated by the JDC) [***] with a clinical drug supply forecast for the BMS Assets, the Nektar Assets and any other Third Party Asset (such forecasts to include strategies for drug supply overages, drug supply quantities and required delivery dates);

(ii)for each Collaboration Study for which Nektar is the Lead Party, providing BMS with reasonable advance notice of scheduled meetings or other material non-written communications with a Regulatory Authority and the opportunity to participate in each such meeting or other non-written communication, to the extent that it relates to the Monotherapy, the Combined Therapy or a BMS Asset, and providing BMS with the opportunity to review, provide comments to Nektar within [***] on, and, if inconsistent with the applicable Protocol(s) or JDC guidance, approve all submissions and written correspondence with a Regulatory Authority that relates to the Monotherapy, Combined Therapy or a BMS Asset; *provided*, *however*, in no event shall Nektar or any Affiliate of Nektar initiate communications with or respond to any communications

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initiated by any Regulatory Authority solely with respect to a BMS Asset without the prior written consent of BMS;

(iii)for each Collaboration Study for which Nektar is the Lead Party, providing to BMS a written summary of meetings or a summary of other non-written communications with a Regulatory Authority within [***] of such meeting or communication, and copies of any official correspondence to or from a Regulatory Authority within [***] of receipt or provision, in each case to the extent that it relates to the Monotherapy, Combined Therapy or a BMS Asset, and copies of all Collaboration Study Regulatory Documentation within [***] of submission to Regulatory Authorities;

(iv)for each Collaboration Study for which Nektar is the Lead Party, coordinating with BMS and providing to the JDC (or a subcommittee designated by the JDC for such purpose) drafts of (A) submissions to the Nektar IND (if applicable) and/or the Combined Therapy Collaboration IND (if applicable); and (B) Collaboration Study Regulatory Documentation, or portions thereof, that relate to the Nektar Compounds, the Combined Therapy or a BMS Assets, for JDC review and approval, and providing BMS with the opportunity to review, comment on and approve all other written correspondence with a Regulatory Authority relating to the Collaboration Studies; *provided that* BMS shall provide Nektar with written notice of any such comments (and, where applicable, approvals or rejections) within [***] of the date on which Nektar provides the applicable document to BMS;

(v)to the extent necessary for the conduct of any Collaboration Study or Independent Study or BMS's filing of a BLA or supplemental BLA as set forth in Section 10.1(b), providing BMS a Right of Cross-Reference to the relevant Regulatory Documentation, *provided that*, such Right of Cross-Reference shall terminate upon the expiration or termination of this Agreement for purposes of conducting any new Clinical Trials, except that in the case of termination for a Material Safety Issue pursuant to Section 16.4, such Right of Cross-Reference shall remain in effect solely (A) to the extent necessary to permit Nektar to comply with any outstanding obligations required by a Regulatory Authority and/or Applicable Law or (B) as necessary to permit BMS to continue to dose subjects enrolled in each Collaboration Study or Independent Study through completion of the applicable Protocol if required by the applicable Regulatory Authority(ies) and/or Applicable Laws;

(vi)for each Collaboration Study, providing BMS with access to all safety information (including any updates to the investigator's brochure for the Nektar Compound) in the Global Safety Database through the provision of case safety reports ("***CSRs***") and listings related to the Monotherapy, Combined Therapy or a BMS Asset during the Collaboration Studies in accordance with the Pharmacovigilance Agreement;

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(vii)providing BMS with any information regarding the pharmacokinetics, efficacy and safety of a Nektar Asset alone, a BMS Asset alone or a Nektar Asset in combination with a BMS Asset;

(viii)providing BMS with access to an investigator's brochure for the Nektar Asset as determined by Nektar (and any updates thereto), as well as all relevant safety information for the Nektar Asset;

(ix)providing and making available as necessary information and/or Persons with knowledge concerning the Nektar Asset to support the Collaboration Studies, including any interactions with a Regulatory Authority;

(x)reviewing and, if applicable, suggesting alternatives to the Lead Party's proposed list of Clinical Trial sites and principal investigator(s) for each Collaboration Study;

(xi)promptly reviewing and providing comments on and communicating its approval (or rejection) of each Protocol, the BMS and Nektar investigator's brochures for each Collaboration Study (as it relates to the Nektar Compound and the Combined Therapy), any template ICF, Bioanalysis Plan and Statistical Analysis Plan, and any amendments to each of the foregoing (*provided that* Nektar shall provide BMS with written notice of any such comments (and, where applicable, approvals or rejections) within [***] of the date on which BMS provides the applicable document to Nektar);

(xii)jointly reviewing, providing comments to BMS within [***] on, and (if inconsistent with the applicable Protocol(s)) approving all Collaboration Study Regulatory Documentation and providing BMS with copies of Nektar Regulatory Documentation, as both Parties agree is necessary or reasonably expected to be necessary, and is requested by BMS, (1) to obtain and maintain an IND for the Collaboration Study and prepare and file any Collaboration Study Regulatory Documentation in accordance with this Agreement, or (2) to comply with Applicable Law, with regard to the BMS Asset and a Combined Therapy Collaboration Study, which may include information regarding the pharmacokinetics, efficacy and safety of a Nektar Asset alone or in combination with the BMS Asset (*provided that* Nektar shall provide BMS with written notice of any such comments (and, where applicable, approvals or rejections) within [***] of the date on which BMS provides the applicable document to Nektar);

(xiii)such other responsibilities as may be agreed to by the Parties or determined by the JDC; and

(xiv)subject to the Pharmacovigilance Agreement, owning and being responsible for (or appointing a Third Party reasonably acceptable to both Parties to be responsible for) the maintenance of the Global Safety Database and safety reporting for the

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Monotherapy and Combined Therapy, collecting, evaluating and reporting Serious Adverse Events, other safety data and any further pharmacovigilance information from the Collaboration Studies, and providing BMS with the opportunity to participate in and comment on such pharmacovigilance activities.

(c)Responsibilities of BMS. Subject to Section 10.1 and JDC direction and oversight as provided in Section 3.3(b), BMS shall be responsible for the following activities:

(i)(A) Manufacturing the BMS Assets for use in the Collaboration Studies and Independent Studies, and, if applicable, providing for the release by a Qualified Person (as such term will be defined in the applicable Quality Agreement) or providing the necessary documentation in support of quality release, of the BMS Assets if such release is required for the Collaboration Studies and Independent Studies, (B) if applicable, packaging and Labelling Bulk Form Nektar Compound provided by Nektar to BMS for use in the Collaboration Studies and Independent Studies, and (C) for each Collaboration Study for which BMS is the Lead Party, providing the JDC (or a working team designated by the JDC) [***] with a clinical drug supply forecast for Nektar Assets, the BMS Assets and any Third Party Asset (such forecasts to include strategies for drug supply overages, drug supply quantities and required delivery dates);

(ii)for each Collaboration Study for which BMS is the Lead Party, providing Nektar with reasonable advance notice of scheduled meetings or other material non-written communications with a Regulatory Authority and the opportunity to participate in each such meeting or other non-written communication, to the extent that it relates to the Monotherapy, Combined Therapy or a Nektar Asset and providing Nektar with the opportunity to review, provide comments to BMS within [***] on, and, if inconsistent with the applicable Protocol(s) or JDC guidance, approve all submissions and written correspondence with a Regulatory Authority that relates to the Monotherapy, Combined Therapy or Nektar Asset; *provided*, *however*, in no event shall BMS or any Affiliate of BMS initiate communications with or respond to any communications initiated by any Regulatory Authority solely with respect to a Nektar Asset without the prior written consent of the Nektar and *provided further that* Nektar, if requested, shall step out of any portions of such meetings or other non-written communications with a Regulatory Authority that relate solely to the use of a BMS Asset as a monotherapy;

(iii)for each Collaboration Study for which BMS is the Lead Party, providing Nektar a written summary of meetings or a summary of other non-written communications with a Regulatory Authority within [***] of such meeting or communication, and copies of any official correspondence to or from a Regulatory Authority within [***] of receipt or provision, in each case to the extent that it relates to the Monotherapy, Combined Therapy or a Nektar Asset, and copies of all Collaboration Study Regulatory Documentation within [***] of submission to Regulatory Authorities;

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(iv)for each Collaboration Study for which BMS is the Lead Party, coordinating with Nektar and providing to the JDC (or a subcommittee designated by the JDC for such purpose) drafts of (A) a Combined Therapy Collaboration IND and (B) Collaboration Study Regulatory Documentation, or portions thereof, that relate to the Combined Therapy or a Nektar Asset, for JDC review and approval, and providing Nektar with the opportunity to review, comment on and approve all other written correspondence with a Regulatory Authority relating to the Collaboration Studies; *provided that* Nektar shall provide BMS with written notice of any such comments (and, where applicable, approvals or rejections) within [***] of the date on which BMS provides the applicable document to Nektar;

(v)to the extent necessary for the conduct of any Collaboration Study, Independent Study or Nektar's filing of a BLA or supplemental BLA as set forth in Section 10.1(b), providing Nektar a Right of Cross-Reference to the relevant Regulatory Documentation, *provided that*, such Right of Cross-Reference shall terminate upon the expiration or termination of this Agreement for purposes of conducting any new Clinical Trials, except that in the case of termination for a Material Safety Issue pursuant to Section 16.4, such Right of Cross-Reference shall remain in effect solely (1) to the extent necessary to permit Nektar to comply with any outstanding obligations required by a Regulatory Authority and/or Applicable Law or (2) as necessary to permit Nektar to continue to dose subjects enrolled in each Collaboration Study or Independent Study through completion of the applicable Protocol if required by the applicable Regulatory Authority(ies) and/or Applicable Law;

(vi)for each Collaboration Study for which BMS is the Lead Party, providing Nektar with access to all safety information (including any updates to the investigator's brochure for the BMS Asset) for the Global Safety Database through CSRs and listings related to the Monotherapy, Combined Therapy or a Nektar Asset during the Collaboration Studies in accordance with the Pharmacovigilance Agreement;

(vii)providing Nektar with any information regarding the pharmacokinetics, efficacy and safety of a BMS Asset alone, a Nektar Asset alone, or a Nektar Asset in combination with a BMS Asset;

(viii)providing Nektar with access to an investigator's brochure for a BMS Asset as determined by BMS (and any updates thereto), as well as all relevant safety information for the BMS Asset;

(ix)providing and making available as necessary information and/or Persons with knowledge concerning a BMS Asset to support the Combined Therapy Collaboration Studies, including any interactions with a Regulatory Authority;

(x)reviewing and, if applicable, suggesting alternatives to the Lead Party's Clinical Trial sites and principal investigator(s) for each Collaboration Study;

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(xi)promptly reviewing and providing comments on and communicating its approval (or rejection) of each Protocol, the BMS and Nektar investigator's brochures for each Collaboration Study (as it relates to the BMS Asset and the Combined Therapy), any template ICF, Bioanalysis Plan and Statistical Analysis Plan, and any amendments to each of the foregoing (*provided that* BMS shall provide Nektar with written notice of any such comments (and, where applicable, approvals or rejections) within [***] of the date on which Nektar provides the applicable document to BMS);

(xii)jointly reviewing, providing comments to Nektar within [***] on, and (if inconsistent with the applicable Protocol(s)) approving all Collaboration Study Regulatory Documentation and providing Nektar with copies of BMS Regulatory Documentation, as both Parties agree is necessary or reasonably expected to be necessary, and is requested by Nektar, (A) to obtain and maintain an IND for a Combined Therapy Collaboration Study and prepare and file any Collaboration Study Regulatory Documentation in accordance with this Agreement, or (B) to comply with Applicable Law with regard to a Nektar Asset and a Combined Therapy Collaboration Study, which may include information regarding the pharmacokinetics, efficacy and safety of a BMS Asset alone or in combination with a Nektar Asset (*provided that* BMS shall provide Nektar with written notice of any such comments (and, where applicable, approvals or rejections) within [***] of the date on which Nektar provides the applicable document to BMS); and

(xiii)such other responsibilities as may be agreed to by the Parties or determined by the JDC.

4.3Documents and Collaboration Study Contracts.

(a)The Lead Party bears primary responsibility for conduct of each of its Collaboration Studies and the analysis of the Study Data under the applicable Statistical Analysis Plan. In consultation with the other Party, the Lead Party shall draft the Protocols and Statistical Analysis Plans, and any amendments to each of the foregoing, and shall provide such documents to the other Party for review, comment, and if applicable, approval pursuant to Section 4.2(a)(vi) and Sections 3.3(b) and 3.4(c). The non-Lead Party shall have [***] from the date on which the Lead Party provides the applicable document to the non-Lead Party to provide any comments, and if applicable, approvals or rejections to the Lead Party concerning the applicable draft Protocol or Statistical Analysis Plan, or any amendment to each of the foregoing.

(b)Subject to Sections 3.3(b) and 3.4(c), the Lead Party shall be responsible for negotiating and entering into contracts for services relating to its applicable Collaboration Study, including selecting vendors, approving contract deliverables and managing contract performance, including site contracts, obtaining IRB approval for site informed consent forms, obtaining signed informed consents, monitoring plans, etc. The Lead Party will be responsible for ensuring that any such contracts allow the Lead Party to provide the other Party with access to and use of Study Data, Samples, and other information and documents as required pursuant to this Agreement (and in no event not less than the same access or use as is granted to the Lead Party).

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ARTICLE 5

MANUFACTURE AND SUPPLY

5.1Joint Manufacturing Committee. Promptly after the Effective Date, the Parties shall form a Joint Manufacturing Committee (the "***JMC***"). The JMC shall consist of [***]. Each Party shall be responsible for determining the qualifications and substitutions of its JMC members. It is anticipated that each Party's representatives may include experts in manufacturing and supply of human therapeutic products. The JMC shall be co-chaired with one chairperson designated by each Party (each, a "***JMC Co-Chair***"). The JMC shall meet at least [***], or at such other frequency as the JMC agrees (and it may appoint working teams to meet more frequently), *provided that* either Party through its JMC Co-Chair may request a meeting of the JMC at any time upon [***] notice to the other Party, with the understanding that the other Party will use reasonable efforts to comply with such request but such other Party will not be in breach of this Agreement in the event that it is unable to comply with such request but is using reasonable efforts to conduct a JMC meeting as promptly as practicable. Upon request by either Party, such meetings will be held by audio or video teleconference; *provided that* face-to-face meetings shall occur at least [***], alternating between Princeton, NJ and San Francisco, CA unless otherwise agreed upon by the Parties. There must be a minimum of [***] from each Party at any meeting of the JMC to constitute a quorum for decision-making. No fewer than five [***] prior to each meeting, and in any event as soon as reasonably practicable, each Party shall use good faith efforts to disclose to the other Party any proposed agenda items together with appropriate supporting information. The Alliance Managers shall alternate responsibility for preparing and circulating definitive minutes of each meeting of the JMC. Such minutes shall provide a description, in reasonable detail, of the discussions at the meeting, a list of material actions and decisions made by the JMC, a list of action items made by the JMC and a list of material issues not resolved by the JMC. The Alliance Manager who drafts the minutes shall provide the other Alliance Manager and each Party's JMC Co-Chair with the initial draft meeting minutes, who shall return the draft with any proposed changes, and this process shall be repeated until a final version of the meeting minutes is agreed upon and signed (or acknowledged as final via email) by the two JMC Co-Chairs. The Parties shall reasonably cooperate to complete and agree upon a final version of meeting minutes within [***] from the date of the relevant meeting. The final version of the meeting minutes shall be signed (or acknowledged as final via email) by the two JMC Co-Chairs, and each Party shall be provided with a copy of the final meeting minutes for its safekeeping. A reasonable number of additional representatives of a Party may attend meetings of the JMC in advisory capacity with the prior written consent of the other Party; *provided that* any JMC meetings that includes representatives of either Party who are not JMC members may, at the request of any JMC member, include a closed session consisting of only JMC members and Alliance Managers. All representatives to the JMC or attending JMC meetings shall be subject to confidentiality and nonuse restrictions at least as restrictive as those set forth herein.

5.2Responsibilities and Authority of the Joint Manufacturing Committee.

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(a)Each Party shall use Commercially Reasonable Efforts to keep the JMC informed about Manufacturing activities (and Development activities as they relate to Manufacturing) performed by that Party hereunder. The JMC will be responsible for the overall oversight of the CMC development and Manufacturing of Nektar Compounds and Products. The JMC (or in the absence of a formal JMC meeting the JMC Co-Chairs) shall be responsible for the following:

(i)CMC development activities for the Nektar Compound and Product (including PEGylation), including process development, formulation development, specification setting, process characterization, scale-up and validation/PPQ;

(ii)worldwide Manufacturing and sourcing strategies in support of the Development and Commercialization of the Products in the Field in the Territory;

(iii)use of Third Parties to Manufacture and supply any Nektar Compounds or Products, including the Third Parties (and their Affiliates) set forth in Schedule 5.2(a)(iii) currently engaged in or retained to assist with Manufacturing;

(iv)logistical strategies, capacity planning and inventory levels for each Nektar Compounds or Products for consistency with the then-current Joint Development Plan and Commercialization Plan and Budget for the Product in the Field in the Territory;

(v)results of regulatory inspections related to any Nektar Compounds or Products and reviewing steps to be taken by the Parties to address any deficiencies noted;

(vi)capacity planning and supply continuity plans (including, if agreed by the JMC, through stock build-up or second source of supply) for each Nektar Compounds or Product for consistency with the then-current Joint Development Plan and Commercialization Plan and Budget for the Product in the Field in the Territory;

(vii)reviewing the demand forecast for the Nektar Compound for use in Collaboration Studies, Independent Studies, and Commercialization activities [***];

(viii)regulatory compliance related to the Manufacture of Nektar Compounds or Products;

(ix)material quality-related issues concerning the Nektar Compounds or Products;

(x)monitoring and managing the costs of Manufacture;

(xi)providing updates to the JEC, JDC or JCC, as applicable, upon request relating to Manufacturing issues;

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(xii)appointing working teams, to be made up of representatives from each Party, that will hold telephone discussions at a mutually agreed frequency to review matters assigned to such working teams; and

(xiii)such other matters as the Parties agree in writing shall be the responsibility of the JMC.

(b)The JMC will have no power (i) to amend this Agreement or (ii) to modify either Party's obligations with regard to this Agreement. The representatives of the JMC shall attempt in good faith to reach consensus on all matters properly brought before the JMC. If, after a good faith, reasonable and open discussion among the members of the JMC, the JMC is unable to agree on a matter that has been properly before it for a period of [***] and that calls for a decision, either Party may refer the dispute (a "***JMC Dispute***") to the JDC. JEC for resolution. If the JEC is unable to reach a resolution within [***] of the referral of the JMC Dispute to the JEC, either Party may refer such JMC Dispute to the Executive Officers for resolution. If the Executive Officers are unable to reach a resolution within [***] of such referral and are not otherwise addressed by Section 3.7(a), Section 3.7(b), Section 3.7(c), Section 3.8 (Final Decision-Making Authority of the Parties) or Section 5.5 (Manufacturing Option), the dispute shall be resolved through arbitration as provided for in Section 15.3.

5.3Manufacture and Supply of Nektar Assets and Products.

(a)Nektar Compounds and Products. Unless BMS exercises the Manufacturing Option set forth in Section 5.5(a), during the Term, Nektar, as Manufacturing Party, shall be solely responsible for the Manufacture or having Manufactured all Nektar Compounds and Products (including all such Manufacturing for use in pre-clinical trials, Collaboration Studies, Independent Studies, GLP toxicology studies and for commercial sale). [***]. All Nektar Assets and Products supplied for a Collaboration Study or Independent Study shall have sufficient expiration dates to complete such Collaboration Study or Independent Study. The Manufacturing Party or a Third Party conducting activities on behalf of the Manufacturing Party will, if applicable, package, Label and distribute the Nektar Compounds and Products (i) for use in the Collaboration Studies and Independent Studies and (ii) for the Commercialization of the Product in the Field in the Territory.

(b)Nektar Assets (other than the Nektar Compounds and Product). During the Term, Nektar shall be solely responsible for the Manufacture or having Manufactured all Nektar Assets (other than Nektar Compounds and Products) (including all such Manufacturing for use in pre-clinical trials, Collaboration Studies, Independent Studies, GLP toxicology studies and for commercial sale). [***]. All such Nektar Assets supplied for a Collaboration Study or Independent Study shall have sufficient expiration dates to complete such Collaboration Study or Independent Study. Nektar will, if applicable, package, Label and distribute such Nektar Assets for use in the Collaboration Studies and Independent Studies.

(c)Costs.

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(i)The Clinical Manufacturing Costs of Nektar Compounds and Products for Collaboration Studies and other Joint Development Plan activities shall be split between the Parties so that Nektar shall be responsible for 65% of such Clinical Manufacturing Costs and BMS shall be responsible for 35% of such Clinical Manufacturing Costs.

(ii)The Clinical Manufacturing Costs of the Nektar Assets (other than Nektar Compounds and Product) for Joint Development Plan activities shall be borne solely by Nektar.

(iii)Subject to Section 7.3(b), the Clinical Manufacturing Costs of the Nektar Assets (other than Nektar Compounds and Product) for Independent Studies shall be borne solely by Nektar.

(iv)The Fully Burdened Costs to Manufacture any Nektar Compounds or Products for Commercialization of the Product in the Field in the Territory shall be split between the Parties in accordance with Sections 9.4 and 9.5.

(v)[***].

(vi)[***].

(d)Standards. The Nektar Compounds and Products shall be Manufactured in accordance with Applicable Law (including GMP) and, to the extent that Nektar is the Manufacturing Party, shall be of similar quality to Nektar Assets and Products used by Nektar for its other clinical trials of Nektar Assets and Products. The Manufacturing Party shall deliver to the non-Manufacturing Party certificates of analysis, and any other documents specified in the applicable Quality Agreement, including such documentation as is necessary to allow the non-Manufacturing Party to compare the applicable Nektar Asset or Product certificate of analysis to the applicable Nektar Assets or Product specifications.

(e)Customs Valuation. If applicable, Nektar will provide BMS with country-specific customs valuations for the Nektar Assets and Products, which BMS must use for deliveries to each country. BMS must request these valuations at least [***] prior to each shipment through Nektar's clinical supply organization.

(f)Use of Nektar Assets Supplied by Nektar to BMS. BMS shall use the quantities of Nektar Assets and Products supplied to it under this Agreement solely as necessary for, and in accordance with, this Agreement and the Protocols, and for no other purpose, including as a reagent or tool to facilitate its internal research efforts, for any commercial purpose, or for other research unrelated to the Collaboration Studies, Independent Studies, with respect to Nektar Compounds for or Commercialization of the Products in the Field in the Territory. Except as may be required under this Agreement, a Bioanalysis Plan, or a Protocol, BMS shall not perform, and

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shall not allow any Third Parties to perform, any analytical testing of the quantities of Nektar Assets or Products supplied to it under this Agreement.

(g)Prior Manufacturing Agreements. BMS acknowledges that Nektar, prior to the Execution Date, has (i) selected and entered into agreements with certain Third Party contract manufacturers, (ii) identified a number of Manufacturing facilities/sites and (iii) completed visits to such facilities/sites, and BMS approves of such sites, and Third Party contract manufacturers, each as set forth in Schedule 5.2(a)(iii). BMS acknowledges that the information related to such Third Party contract manufacturers and Manufacturing facilities/sites have been made available to BMS prior to the Effective Date, and subject to a satisfactory quality audit to be performed by BMS after the Effective Date in accordance with BMS's internal SOPs, BMS will approve the continuation of the related Manufacturing agreements on their terms (including the budgets and pricing included therein), and hereby ratifies, on behalf of its appointees to the JMC and JDC, the decisions taken by Nektar prior to the Effective Date that would otherwise be under the purview of the JMC or JDC pursuant to this Agreement, solely to the extent that such decisions have been disclosed to BMS prior to the Effective Date. For any additional Third Party contract manufacturers or Manufacturing facilities/sites proposed after the Effective Date, the Manufacturing Party, after discussion with the non-Manufacturing Party, will create and provide the JMC with a proposed list of potential Manufacturing facilities/sites and Third Party contract manufacturers that may be used to Manufacture the Nektar Compounds and Product, with the final list to be subject to JMC (or JMC Co-Chairs) approval (such JMC-approved list being the "***Facility List***"). Except as otherwise noted in this Section 5.3(g), the proposed Facility List will be provided to the JMC prior to the Manufacturing Party initiating facility/site selection negotiations or visits. The Manufacturing Party shall have the authority to select the final Third Party contract manufacturers or Manufacturing facilities/sites from the Facility List. In the event that additional facilities/sites or Third Party contract manufacturers need to be added after the initial list is approved, a new list will be created by the Manufacturing Party that includes the proposed new facilities/sites or Third Party contract manufacturers and such list will be provided to the JMC for approval by the JMC (or JMC Co-Chairs) per this Section 5.3(g).

(h)Audit. Nektar shall permit BMS, its Affiliates, and their representatives and designees to inspect and audit Nektar's facilities, production, operations, testing, storage, and books and records to confirm Nektar's compliance with the terms and conditions of this Section 5.3, during regular business hours at BMS's expense; provided, however, that such inspection or audit shall not unreasonably interfere with the operations of the applicable facility. In connection with any such inspection or audit, Nektar shall have no obligation to provide BMS and/or a Third Party access to Nektar Confidential Information related to any compound or product other than the Nektar Assets used in Collaboration Studies. Such audits may be conducted at any date during the Term upon reasonable notice (which shall be no less than [***]' prior notice, unless a shorter period is mutually agreed to by the Parties), but no more than [***]. Nektar shall cooperate with BMS to facilitate any such audit. [***].

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5.4Manufacture and Supply of BMS Assets.

(a)BMS Assets. During the Term, BMS shall be solely responsible for the Manufacture or having Manufactured all BMS Assets (including all such Manufacturing for use in Clinical Trials, GLP toxicology studies and for commercial sale). [***]. All BMS Assets supplied for a Collaboration Study or Independent Study shall have sufficient expiration dates to complete such Collaboration Study or Independent Study. BMS will, if applicable, package, Label and distribute the BMS Assets for use in the Collaboration Studies and Independent Studies.

(b)Costs.

(i)The Clinical Manufacturing Costs of the BMS Assets for Joint Development Plan activities, shall be borne solely by BMS.

(ii)The Clinical Manufacturing Costs of the BMS Assets for Independent Studies shall be borne solely by BMS.

(iii)[***].

(c)Standards. The BMS Assets shall be Manufactured in accordance with Applicable Law (including GMP) and shall be of similar quality to the BMS Assets used by BMS for its other Clinical Trials of the BMS Assets. BMS shall deliver to Nektar certificates of analysis, and any other documents specified in the applicable Quality Agreement, including such documentation as is necessary to allow Nektar to compare the applicable BMS Assets certificate of analysis to the applicable BMS Assets specifications.

(d)Customs Valuation. If applicable, BMS will provide Nektar with country-specific customs valuations for the BMS Assets, which Nektar must use for deliveries to each country. Nektar must request these valuations at least [***] prior to each shipment through BMS's clinical supply organization.

(e)Use of BMS Asset Supplied by BMS to Nektar. Nektar shall use the quantities of BMS Asset supplied to it under this Agreement solely as necessary for, and in accordance with, this Agreement and the Protocols, and for no other purpose, including as a reagent or tool to facilitate its internal research efforts, for any commercial purpose, or for other research unrelated to the Collaboration Studies or Independent Studies. Except as may be required under this Agreement, a Bioanalysis Plan, or a Protocol, Nektar shall not perform, and shall not allow any Third Parties to perform, any analytical testing of the quantities of BMS Assets supplied to it under this Agreement.

5.5Manufacturing Option.

(a)BMS shall have the option to obtain the right to Manufacture NKTR-214 (for itself or by an Affiliate or Third Party acting on BMS's behalf), including [***] upon (i) a Change of Control of Nektar, or (ii) in the event that [***], (the "***Manufacturing Option***"). Such

notice shall specify the desired commencement date of such Manufacturing by or on behalf of BMS (such specified date, the "***Manufacturing Commencement Date***"). BMS shall reimburse Nektar for Nektar's Fully Burdened Costs associated with the transfer of the Nektar Manufacturing Know-How in the event that BMS exercises its Manufacturing Option upon a Change of Control. Each Party shall otherwise share the costs of such transfer so that BMS bears thirty-five percent (35%) and Nektar bears sixty-five percent (65%) of the Fully Burdened Costs associated with the transfer of the Nektar Manufacturing Know-How to BMS.

(b)Unless otherwise agreed by the Parties, commencing on the Manufacturing Commencement Date, BMS and Nektar shall be jointly responsible for Manufacturing NKTR-214 for use in activities under this Agreement. For all Manufacturing of NKTR-214, BMS shall at all times (i) use the Nektar Manufacturing Process and adhere to all applicable specifications and quality control and assurance policies and procedures that Nektar provides to BMS and (ii) adhere to the applicable Quality Agreement, GMPs, and Applicable Law.

(c)If BMS exercises the Manufacturing Option, BMS shall use [***].

(d)(i) Subject to Nektar's contracts with its contract manufacturers for NKTR-214, Nektar shall facilitate the transfer of all Nektar Manufacturing Know-How that is necessary or reasonably useful to Manufacture NKTR-214 to BMS or to a contract manufacturer selected by BMS, which transfer shall be subject to the terms and conditions of Schedule 5.5(d)(i). (ii) With respect to the PEG Reagent required for the Manufacture of the NKTR-214, BMS shall have the option to either (A) cause Nektar to enter into a mutually-agreeable supply agreement with BMS for supply by Nektar of such PEG Reagent at a fee equal to Nektar's Fully Burdened Cost to Manufacture, or (B) cause Nektar to facilitate a transfer of all Nektar Manufacturing Know-How that is necessary or reasonably useful to Manufacture the PEG Reagent to BMS or a contract manufacturer selected by BMS, which transfer shall be subject to the terms and conditions of Schedule 5.5(d)(ii).

(e)Notwithstanding anything to the contrary herein, (i) BMS shall not commence Manufacture of NKTR-214 until the Parties have executed a Quality Agreement for such Manufacture and (ii) BMS may not sell NKTR-214 Manufactured by or for BMS until Nektar's "Quality Management" group has audited and approved BMS's Manufacturing processes and controls, as applicable, and validated the quality of the initial batch of the NKTR-214 Manufactured by BMS, such approval not to be unreasonably withheld or delayed.

(f)BMS shall permit Nektar, its Affiliates, and their representatives and designees to inspect and audit BMS's facilities, production, operations, testing, storage, and books and records to confirm BMS's compliance with the terms and conditions of this Section 5.5, in relation to the Manufacture of the Nektar Compound and Product, during regular business hours at Nektar's expense; *provided*, *however*, that such inspection or audit shall not unreasonably interfere with the operations of the applicable facility. In connection with any such inspection or audit, BMS shall have no obligation to provide Nektar and/or a Third Party access to BMS Confidential Information related to any compound or product other than NKTR-214. Such audits

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may be conducted at any date during the Term upon reasonable notice (which shall be no less than [***] prior notice, unless a shorter period is mutually agreed to by the Parties), but no more than [***]. BMS shall cooperate with Nektar to facilitate any such audit. [***].

(g)BMS shall, at its sole expense, obtain, maintain, update, and remain in compliance with all permits, licenses, Regulatory Approvals or other governmental approvals required by Applicable Law for BMS to carry out its Manufacturing activities of NKTR-214 hereunder.

(h)Upon notice and request by BMS and subject to Nektar's prior approval, the Manufacturing Option may be extended to include [***].

5.6Quality Agreement. The Parties shall enter into quality agreements (each, a "***Quality Agreement***") (a) within [***] after the Effective Date, but in no event later than the date on which the first shipment of any Bulk Form Nektar Asset, Bulk Form BMS Asset or Product is supplied for use in the Collaboration Studies or Independent Study and (b) if BMS exercises the Manufacturing Option, prior to BMS's Manufacture of NKTR-214 or any other Nektar Compound, as applicable. Each Quality Agreement shall outline the additional roles and responsibilities relative to the quality of the applicable Nektar Assets, BMS Assets or Products in support of the Collaboration Studies, Independent Studies or the Commercialization of the Product in the Field in the Territory. Each Quality Agreement shall include the responsibility for quality elements including, by way of example, inspections, sub-contractors and suppliers, change control and corresponding regulatory amendments, out-of-specification results, deviations, Product recalls, withdrawals, Product complaints and a list of key quality contacts and investigations, in each case required to conduct the Collaboration Studies or Independent Studies or to Commercialize the Product in the Field in the Territory. In addition, each Quality Agreement shall detail the documentation required for each shipment of (x) Nektar Asset or Product supplied for use in the Collaboration Studies or Independent Studies, (y) BMS Asset supplied to Nektar or its designee for use in the Collaboration Studies or Independent Studies, or (z) Nektar Compounds or Product to Commercialize the Product in the Field in the Territory. Each Quality Agreement shall also indicate for the Commercialization of the Product in the Field in the Territory whether any required transfer by a Party to the other Party of analytical methods will be necessary to support identity testing by the other Party of the compound or Product supplied to the other Party under this Agreement.

5.7Supply Agreements. Within [***] after the Effective Date (but in no event later than the date on which the first shipment of any Nektar Asset, BMS Asset or Product, whether in Bulk Form or Finished Form, is supplied for use in a Collaboration Study or Independent Study) or within [***] after the Manufacturing Commencement Date, the Parties shall enter into supply agreements (each, a "***Supply Agreement***") to govern forecasting, ordering, expiration dates, procedures for acceptance and rejection and other customary provisions for the supply of the Nektar Compounds, Products, Nektar Assets and the BMS Assets for the Collaboration Studies and Independent Studies. In addition, within a mutually agreed upon date reasonably prior to a Filing for Regulatory Approval of the initial BLA for a Product and on an ongoing basis thereafter

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as required, the Parties shall enter into Supply Agreements or other arrangements to govern the forecasting, ordering, expiration dates, procedures for acceptance and rejection and other customary provisions for the commercial supply of the Nektar Compounds, Products, Nektar Assets and BMS Assets, as applicable, for Commercialization of the Products and Combined Therapies in the Field.

ARTICLE 6

GLOBAL DEVELOPMENT COST SHARING

6.1Manufacturing and Supply Expenses; Intellectual Property Expenses. Expenses incurred as described in Article 5 (regarding manufacturing and supply), and Article 11 (regarding intellectual property) shall be borne or shared by the Parties as provided in such Articles.

6.2Monotherapy Collaboration Studies Expenses. Subject to Section 6.1, for any Monotherapy Collaboration Studies, Nektar shall be responsible for sixty-five percent (65%) of the Development Costs and BMS shall be responsible for thirty-five percent (35%) of the Development Costs, in each case to the extent that such Development Costs are incurred in accordance with this Agreement and the applicable Development Budget.

6.3Combined Therapy Collaboration Studies Expenses. Subject to Section 6.1, the Development Costs (other than Clinical Manufacturing Costs) for Combined Therapy Collaboration Studies shall be allocated to, and be the responsibility of the Parties, in accordance with Schedule 6.3 (Combined Therapy Collaboration Study Development Cost Allocation), in each case to the extent that such Development Costs are incurred in accordance with this Agreement and the applicable Development Budget. For avoidance of doubt, Development Costs do not include Third Party License Payments by BMS or Nektar or any Third Party Claims, in each instance with respect to BMS Assets or Nektar Assets (other than Nektar Compounds).

6.4Nektar Annual Development Cost Cap.

(a)Nektar's share of Collaboration Study Development Costs (including Clinical Manufacturing Costs) is subject to an annual cap of one hundred twenty-five million dollars ($125,000,000) in any given Calendar Year (the "***Development Cost Cap***") to be calculated in accordance with U.S. GAAP; *provided that* the Development Cost Cap during the first Calendar Year shall be calculated on a pro rata basis as of the Effective Date. In the event that Nektar's pro rata share of Development Costs exceeds the Development Cost Cap in any given Calendar Year (in each instance, the "***Nektar Excess Development Cost***"), BMS will be responsible for, and shall pay for or reimburse Nektar for, all Development Costs in excess of the Development Cost Cap, including the Nektar Excess Development Cost. To be clear, the Nektar Excess Development Cost remains a payable by Nektar until full payment thereof, and may be carried forward to future Calendar Years in accordance with the remainder of this Section 6.4.

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(b)Nektar will reimburse BMS for the Nektar Excess Development Costs paid by BMS as follows, until full reimbursement thereof to BMS in accordance with the following:

(i)before the First Commercial Sale of the first Product in the Territory, in each Calendar Year in which the Development Cost Cap is not reached, Nektar shall reimburse BMS for any unreimbursed Nektar Excess Development Costs (but solely to the extent that the Development Cost Cap it is not reached in such Calendar Year);

(ii)following such First Commercial Sale, Nektar shall reimburse BMS for any unreimbursed Nektar Excess Development Costs, as a reduction of Nektar Share of Net Profits, according to the following schedule:

(A)for the [***] following such First Commercial Sale: up to [***] of Nektar Share of Net Profits shall be directed to the reimbursement to BMS of any unreimbursed Nektar Excess Development Cost; and

(B)in any subsequent years: up to [***] of Nektar Share of Net Profits shall be directed to reimbursement of any unreimbursed Nektar Excess Development Cost;

provided that Nektar may voluntarily reimburse any Nektar Excess Development Cost in advance of the above reimbursement schedule and process.

(c)[***].

ARTICLE 7

INDEPENDENT DEVELOPMENT

7.1General. The Parties acknowledge that notwithstanding their collaboration to Develop and Commercialize the Nektar Compounds and the Product in the Field in accordance with this Agreement, but subject to Section 7.3(d), (a) Nektar independently is entitled to Develop and Commercialize the Nektar Compound in the Field in the Territory through Clinical Trials of the Nektar Compound as a Monotherapy, other studies (including preclinical) and activities, in each case undertaken outside of the Joint Development Plan (each such Clinical Trial, study and activity, a "***Monotherapy Independent Study***") and (b) each Party independently is entitled to Develop and Commercialize the Nektar Compound in the Field in the Territory through Clinical Trials of the Combined Therapy, other studies (including preclinical) and activities, in each case undertaken outside of the Joint Development Plan (each such Clinical Trial, study and activity, a "***Combined Therapy Independent Study***"). Before commencing any such Clinical Trials, other studies or activities directed to the Development of a Monotherapy or Combined Therapy in the Field as an Independent Study, the Party proposing such Clinical Trials, other studies or activities shall review such proposed Clinical Trials, other studies or activities with the other Party at a

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meeting of the JDC and shall endeavor reasonably to create a jointly agreed strategy and plan for such Clinical Trials, other studies or activities, which may include (x) amending the Joint Development Plan to include such Clinical Trials, other studies or activities as a new Collaboration Study under this Agreement (which would include the obligation for each Party co-funding its pro rata share of the Development Costs for such new Collaboration Study), or (y) the proposing Party independently conducting and funding such Clinical Trials, other studies or activities as an Independent Study. Notwithstanding the meeting and discussion at the JDC, neither Party is obligated to disclose any Confidential Information regarding the existence of or status of any discussions, arrangements or disclosures with any Third Party regarding such proposed Clinical Trials, other studies or activities. Moreover, subject to the rights and limitations set forth in Section 7.3, neither Party has any obligation to obtain consent or approval from the JDC in respect of any Independent Study, or any obligation to continue discussion of any Independent Study at the JDC.

7.2Current Nektar Studies. Notwithstanding anything in this Agreement to the contrary, including pursuant to Section 7.3, Nektar is entitled to continue any ongoing (as of the Execution Date) (and initiate new) preclinical and Combined Therapy Clinical Trials under the terms of any existing Third Party arrangements (such studies and Clinical Trials, the "***Current Studies***"). Attached as Schedule 7.2 (Current Studies) is a schedule of the Current Studies. Each Current Study shall be treated as an Independent Study. For clarity, any study with a Third Party that is not a Current Study, shall be subject to the provisions of Section 7.1.

7.3Independent Studies: Rights and Limitations. The rights and limitations set forth in this Section 7.3 apply to each Party's conduct of any Independent Study.

(a)Supply of Certain BMS Assets. At Nektar's request through the JDC, and subject to BMS approval not to be unreasonably withheld or delayed, BMS will provide Nektar, free of charge, with the BMS Compound, [***], for use in Combined Therapy Independent Studies (of a combination of Nektar Assets with such BMS Assets (whether or not with any Third Party Assets) or for the conduct of the activities permitted by Section 3.9, subject to the limitations and restrictions described in this Section 7.3. Nektar's right to request quantities of such BMS Assets for such Independent Studies will terminate on the [***].

(b)Supply of certain Nektar Assets. At BMS's request through the JDC, and subject to Nektar approval not to be unreasonably withheld or delayed, Nektar agrees to provide BMS with any Nektar Asset [***], for use in Combined Therapy Independent Studies of a combination of BMS Assets with such Nektar Assets (whether or not with any Third Party Assets) or for the conduct of the activities permitted by Section 3.9, subject to the limitations and restrictions described in this Section 7.3. Nektar shall provide supplies of such applicable Nektar Asset free of charge for any Independent Studies of BMS Assets in combination with the applicable Nektar Assets, to the exclusion of any Third Party Asset, and for the conduct of the activities permitted by Section 3.9. For any other Independent Studies, Nektar shall provide supplies of such applicable Nektar Asset for a fee equal to [***]. BMS's right to request quantities of such Nektar Assets will terminate on the [***].

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(c)Supply of Nektar Compound. At either Party's request through the JDC, Nektar (or BMS, if BMS has exercised the Manufacturing Option) agrees to provide either Party with the Nektar Compound for use in any Independent Study (whether or not with any other Nektar Assets, BMS Assets or Third Party Assets) or for the conduct of the activities permitted by Section 3.9, subject to the limitations and restrictions described in this Section 7.3. The Nektar Compound shall be supplied for a fee equal to [***].

(d)Clinical Trials for a Collaboration Therapy.

(i)For purposes of this Section 7.3(d):

(A)"***Collaboration***" and "***Collaborate***" refers to any arrangements whereby a Third Party (whether for-profit, academic, or other) is involved in the clinical development of a compound (including by providing any compound or other asset free of charge or at a discount for purposes of such development) in such a way that such Third Party obtains any rights or licenses to any clinical study data or intellectual property rights (including Patent Rights and Right of Cross-Reference) generated as a result of such clinical development, in relation to the compound made available by Nektar or BMS (as applicable), or the compound or assets such Third Party makes available;

(B)"***Competing Combination***" means a therapy using an IL-2 Agonist in combination with at least one Competing Compound, whether as individual combinations or Fixed Dose Combination;

(C)"***Competing Compound***" means, for each Collaboration Therapy, any large or small molecule that binds to any of the targets listed in Schedule 1.43 opposite such Collaboration Therapy (Lines and Indications) (other than an IL-2 Agonist);

(D)"***Limited Indication Exclusivity Term***" means the period from the Effective Date until the later of (1) the date of the First Commercial Sale of the first Product or (2) the third (3rd) anniversary date of the Effective Date; and

(E)"***Limited Indication Exclusivity Extended Term***" means the three (3) year period immediately after the end of the Limited Indication Exclusivity Term.

(ii)During the Limited Indication Exclusivity Term, Nektar (or a Nektar Successor) shall not (whether alone or in Collaboration with any Third Party) Develop, without BMS's prior written consent (at BMS's sole discretion), a Competing Combination for any Collaboration Therapy.

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(iii)During the Limited Indication Exclusivity Extended Term, Nektar (alone or with any of its Affiliates, but not in Collaboration with any Third Party) shall be permitted to Develop a Competing Combination for any Collaboration Therapy, using (1) a Nektar Compound and (2) one or more Nektar Assets and/or any other Third Party Asset purchased on the open market.

(iv)In the event of a Change of Control of Nektar, the Nektar Successor shall be permitted (A) during the Limited Indication Exclusivity Extended Term, to Develop (alone or with any of its Affiliates, but not in Collaboration with any Third Party), a Competing Combination for any Collaboration Therapy, using (1) a Nektar Compound and/or any other IL-2 Agonist and (2) one or more Nektar Assets, any compounds owned or controlled by such Nektar Successor and/or any other Third Party Asset purchased on the open market, and (B) after the Limited Indication Exclusivity Extended Term, to Develop a Competing Combination without any further restrictions. [***].

(v)During the Limited Indication Exclusivity Term, BMS (or a BMS Successor) shall not (whether alone or in Collaboration with any Third Party) Develop, without Nektar's prior written consent (at Nektar's sole discretion), a Competing Combination for any Collaboration Therapy.

(vi)During the Limited Indication Exclusivity Extended Term, BMS (alone or with any of its Affiliates, but not in Collaboration with any Third Party) shall be permitted to Develop a Competing Combination for any Collaboration Therapy, using (1) any IL-2 Agonist regardless of its origin (e.g., whether owned or controlled by BMS, sourced from a Third Party or purchased on the open market) and (2) one or more BMS Assets and/or any other Third Party Asset purchased on the open market.

(vii)In the event of a Change of Control of BMS, the BMS Successor shall be permitted (A) during the Limited Indication Exclusivity Extended Term, to Develop (alone or with any of its Affiliates, but not in Collaboration with any Third Party) a Competing Combination for any Collaboration Therapy, using (1) any IL-2 Agonist owned or controlled by the BMS Successor and (2) one or more BMS Assets, any compounds owned or controlled by such BMS Successor, or any other approved Third Party products purchased on the open market, and (B) after the Limited Indication Exclusivity Extended Term, to any Competing Combination without further restrictions.

(viii)Notwithstanding anything herein to the contrary, in the event that a Collaboration Therapy set forth on Schedule 1.43 is removed from the Label Indication for the Nektar Compound, or for a Nektar Asset or BMS Asset used in combination with the Nektar Compound, at the advice or direction of a Regulatory Authority, such Collaboration Therapy shall automatically be removed from Schedule 1.43 and such schedule shall be amended hereby.

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(ix)For clarification, the limitations set forth in this Section 7.3(d) also apply to any triplet or quad Combined Therapy Clinical Trial, even if the Combined Therapy Collaboration Study under the Joint Development Plan for the applicable Collaboration Therapy is a doublet combination (or does not otherwise have the same number of compounds as are included in the proposed Combined Therapy Clinical Trial) or any doublet or triplet Combined Therapy Clinical Trial, even if the Combined Therapy Collaboration Study under the Joint Development Plan for the applicable Collaboration Therapy is a triplet or quad combination (or does not otherwise have the same number of compounds as are included in the proposed Combined Therapy Clinical Trial). As an example, a Party is not permitted to Develop a triplet Combined Therapy that has one of the same mechanism(s) of action (notwithstanding the additional compounds) as a doublet Combined Therapy that is being pursued under the Development Program, without, in each instance, the other Party's approval.

(x)Notwithstanding anything to the contrary herein, this Section 7.3(d) shall remain unaffected by any Change of Control of either Party, except that any IL-2 Agonist assets controlled by such BMS Successor or Nektar Successor or any of their respective Affiliates (before or after the effective date of such Change of Control) shall remain unaffected by any of the limitations of this Section 7.3(d), provided such IL-2 Agonist assets are not made available to Nektar or BMS (as the case may be) or combined with other Nektar Assets or BMS Assets (as the case may be) for Clinical Trials.

(e)[***].

(f)[***].

(g)All Independent Studies (and supply of compounds from either Party in connection with an Independent Study) are subject to the following:

(i)the total number of subjects to be treated with the BMS Assets, if Nektar is [***];

(ii)unless the Parties agree otherwise in writing, the dosage and dosage regimen of the other Party's Single Agent Compound to be used in an Independent Study shall be [***], or (3) such other dose and regimen that the Parties reasonably agree on;

(iii)such Independent Study is approved by all applicable IRBs, and is otherwise conducted in compliance with Applicable Law; and

(iv)without limiting the supplying Party's approval authority pursuant to Sections 7.3(a) or 7.3(b), as applicable, an Independent Study shall not proceed if the supplying Party reasonably deems there to be a Material Safety Issue regarding the conduct of the Independent Study (unless and until such Material Safety Issue is addressed to the supplying Party's reasonable satisfaction).

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Notwithstanding the foregoing, each Party has the right to request additional supply of BMS Assets or such Nektar Assets, as applicable, from the other Party in connection with a Combined Therapy Independent Study; *provided that* such requesting Party shall reimburse the other Party for such supplied BMS Assets or Nektar Assets, as applicable, at a fee equal to [***] for such BMS Asset or Nektar Asset, or a fee as otherwise mutually agreed by the Parties. For clarity, such costs for the additional supply BMS Assets or Nektar Assets, as applicable, for Combined Therapy Independent Studies shall be included in Opt-Out Development Costs.

(h)Each Party leading an Independent Study shall be responsible for preparing, filing and maintaining all Regulatory Documentation associated with such Independent Study.

(i)Each Party will make available and promptly disclose to the JDC, subject to Third Party confidentiality restrictions (if applicable), all results of the work conducted by such Party pursuant to the Independent Study that is related to the use of a Nektar Compound, or other Nektar Asset or BMS Asset (as the case may be), and will keep such records (paper and electronic) as described herein. The Party engaged in the Independent Study will maintain records of the results relating to such Nektar Compound, or other Nektar Asset or BMS Asset (as the case may be), in sufficient detail and in good scientific manner appropriate for patent purposes, and in a manner that properly reflects all work done and results achieved in the performance of the Independent Study (including all data, such as minutes from dose escalation meetings with any Regulatory Authority and all final clinical study reports relating to such Nektar Compound, or other Nektar Asset or BMS Asset (as the case may be), in the form required to be maintained under any applicable governmental regulations).

(j)With respect to adverse event reporting related to the use of a Nektar Compound, or other Nektar Asset or BMS Asset (as the case may be), under an Independent Study, the Party engaged in the Independent Study shall report to the other Party any such adverse events of the type required to be reported under Section 10.8 in the manner and in accordance with the procedures set forth in Section 10.8.

(k)For any Independent Study where a Party is supplying a Nektar Asset or BMS Asset to the other Party pursuant to Sections 7.3(a) or 7.3(b), as applicable, the Parties will enter into a separate clinical collaboration agreement in relation to such Independent Study and such agreement shall contain the same rights and obligations of the Parties as set forth in this Agreement and applicable to Collaboration Studies with respect to the use and disclosure of the results, sharing of information and Patent Rights in connection with the applicable Independent Study and the Parties will agree, if applicable, on any additional terms and conditions (including in relation to governance) that would apply to such Independent Study.

7.4Reimbursement for Opt-Out Development Costs. If a Monotherapy Independent Study or Combined Therapy Independent Study results in Regulatory Approval or a Label expansion of a BMS Asset or Nektar Asset (including the Nektar Compound), the non-funding Party shall reimburse the funding Party for the non-funding Party's allocated share of Opt-Out Development Costs incurred by the funding Party for the applicable Monotherapy Independent

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Study or Combined Therapy Independent Study (using the principles set forth in Sections 5.3(c)(i), 6.2 and 6.3) for which the non-funding Party would have been responsible had such Independent Study been a Collaboration Study, plus an amount equal to [***] of such reimbursement. Such reimbursed Opt-Out Development Costs (and the [***] additional reimbursement for such Independent Study) shall be subject to the reconciliation procedures set forth in Section 9.7 but shall not be subject to the Development Cost Cap.

ARTICLE 8

GLOBAL COMMERCIALIZATION

8.1Joint Commercialization. Subject to Sections 8.9 and 8.12 and the terms and conditions of this Agreement, the Parties are jointly responsible for Commercializing the Products in the Field in the Territory in compliance with this Agreement and in all material respects with Applicable Law, and shall use their Commercially Reasonable Efforts in this respect. Joint Commercialization of the Product will apply to all Indications for which the Product receives Regulatory Approval whether pursuant to a Collaboration Study or an Independent Study.

8.2Joint Commercialization Committee. No later than the commencement of the first Initial Trial under the Joint Development Plan, the Parties shall form a Joint Commercialization Committee (the "***JCC***") to oversee global Commercialization activities and to serve as a decision-making forum. The JCC shall consist of [***]. Each Party shall be responsible for determining the qualifications and substitutions of its JCC members. It is anticipated that each Party's representatives may include experts in clinical development, global commercialization, and supply. The JCC shall be co-chaired with one chairperson designated by each Party (each, a "***JCC Co-Chair***"). The JCC shall meet at least [***], or at such other frequency as the JCC agrees (and it may appoint working teams to meet more frequently), *provided that* either Party through its JCC Co-Chair may request a meeting of the JCC at any time upon [***] notice to the other Party, with the understanding that the other Party will use reasonable efforts to comply with such request but such other Party will not be in breach of this Agreement in the event that it is unable to comply with such request but is using reasonable efforts to conduct a JCC meeting as promptly as practicable. Upon request by either Party, such meetings will be held by audio or video teleconference; *provided that* face-to-face meetings shall occur at least [***], alternating between Princeton, NJ and San Francisco, CA unless otherwise agreed upon by the Parties. There must be a minimum of [***] from each Party at any meeting of the JCC to constitute a quorum for decision-making. No fewer than five (5) Business Days prior to each meeting, and in any event as soon as reasonably practicable, each Party shall use good faith efforts to disclose to the other Party any proposed agenda items together with appropriate supporting information. The Alliance Managers shall alternate responsibility for preparing and circulating definitive minutes of each meeting of the JCC. Such minutes shall provide a description, in reasonable detail, of the discussions at the meeting, a list of material actions and decisions made by the JCC, a list of action items made by the JCC and a list of material issues not resolved by the JCC. The Alliance Manager who drafts the minutes shall provide the other Alliance Manager and each Party's JCC Co-Chair with the

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initial draft meeting minutes, who shall return the draft with any proposed changes, and this process shall be repeated until a final version of the meeting minutes is agreed upon and signed (or acknowledged as final via email) by the two JCC Co-Chairs. The Parties shall reasonably cooperate to complete and agree upon a final version of meeting minutes within [***] from the date of the relevant meeting. The final version of the meeting minutes shall be signed (or acknowledged as final via email) by the two JCC Co-Chairs, and each Party shall be provided with a copy of the final meeting minutes for its safekeeping. A reasonable number of additional representatives of a Party may attend meetings of the JCC in advisory capacity with the prior written consent of the other Party; *provided that* any JCC meetings that includes representatives of either Party who are not JCC members may, at the request of any JCC member, include a closed session consisting of only JCC members and Alliance Managers. All representatives to the JCC or attending JCC meetings shall be subject to confidentiality and nonuse restrictions at least as restrictive as those set forth herein.

8.3Responsibilities of the Joint Commercialization Committee. Each Party shall use Commercially Reasonable Efforts to keep the JCC informed about activities performed by that Party hereunder. The JCC will be responsible for the overall oversight of the global Commercialization of the Product. Commercialization of each Product shall be pursuant to the Commercialization Plan and Budget, provided that Commercialization in the countries other than Major Markets shall be conducted in a manner consistent with the Commercialization Plan and Budget. The JCC (or in the absence of a formal JCC meeting, the JCC Co-Chairs) shall be responsible for the following:

(a)reviewing and providing timely comments to the initial Commercialization Plan and Budget proposed by BMS;

(b)updating and amending the Commercialization Plan and Budget as Regulatory Approvals for the Product are obtained (whether as a result of Collaboration Studies or Independent Studies);

(c)overseeing the Commercialization Plan and Budget and Global Pricing and Reimbursement Plan, including approving the Commercialization Plan and Budget and any material amendments thereto;

(d)determining the initial post-approval Product price, any price increase/decrease ranges, and annual price discounting/rebate ranges (collectively, "***Pricing Decisions***"), the period for which the applicable Pricing Decisions shall apply (the "***Pricing Period***") including approving any amendments thereto; *provided that* all Pricing Decisions shall be subject to both Parties' legal and compliance guidelines, and Nektar final decision-making authority under Section 8.6(a);

(e)overseeing the activities of the Parties with respect to the global Commercialization and pricing of the Product, and providing a forum for the Parties to discuss, monitor and coordinate all activities and communications regarding the global Commercialization

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and pricing of the Products, including payor interactions and discount/rebate negotiations with respect to Products;

(f)overseeing BMS's price negotiations and other interactions with Third Party payors or purchasers of Product in the Field in the Territory and any proposed price changes related thereto;

(g)reviewing and providing timely comments to proposed communication strategies and communications with any Regulatory Authority regarding the global Commercialization of the Product and, if applicable, approving such proposed communications and communication strategies;

(h)appointing working teams, to be made up of an equal number of representatives from each Party, that will hold telephone discussions at a mutually agreed-upon frequency to review global Commercialization of the Product issues that arise in the course of a study under the Commercialization Plan and Budget set forth therein, and delegating certain decision-making authority to such working teams;

(i)reviewing each Party's [***] forecast provided to the JCC for quantities of Product necessary for global Commercialization of the Products, which shall be reviewed [***], and for which [***];

(j)determining the quantities of Product, necessary for global Commercialization of the Products within a sufficient minimum lead time and coordinating the supply of such quantities by the respective Party in accordance with Article 5 and the Supply Agreements or other arrangements;

(k)reviewing each Party's Commercialization forecast for the BMS Assets and other Nektar Assets used in Combined Therapies and advising each Party with respect to allocation of applicable available inventory; and

(l)discussing any other topics or issues relating to the global Commercialization of the Product that either Party requests that cannot be resolved at the working team level.

8.4Joint Commercialization Committee Decision-Making.

(a)The JCC shall take action by unanimous consent, with each Party having a single vote, irrespective of the number of its representatives actually in attendance at a meeting. In the absence of a formal meeting, the JCC Co-Chairs shall have decision-making authority for the JCC, so long as any decisions are documented as provided below.

(b)The JCC shall have the right to make only those determinations expressly enumerated as decisions of the JCC in this Agreement; *provided that* such determinations are

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documented in the written minutes signed (or acknowledged as final via email) by the JCC Co-Chairs.

(c)Notwithstanding anything to the contrary in this Agreement, the JCC will have no power (i) to amend this Agreement or (ii) to modify either Party's obligations with regard to a study in the Joint Development Plan without such Party's prior written consent; in each case, except by a writing (and that is not the minutes of a meeting) signed by both Parties.

8.5Dispute Resolution. The representatives of the JCC shall attempt in good faith to reach consensus on all matters properly brought before the JCC. Except as otherwise provided in this Agreement, if, after a good faith, reasonable and open discussion among the members of the JCC, the JCC is unable to agree on a matter that has been properly before it for a period of [***] and that calls for a decision, either Party may refer the dispute (a "***JCC Dispute***") to the JEC for resolution. If the JEC is unable to reach a resolution within [***] of the referral of the JCC Dispute to the JEC, either Party may refer such JCC Dispute to the Executive Officers for resolution. Subject to the following sentence, if the Executive Officers are unable to reach a resolution within [***] of such referral and such JCC Dispute is not otherwise addressed by Section 8.6 (Final Decision-Making Authority of the Parties), the dispute shall be resolved through arbitration as provided for in Article 15, whether as a Commercial/Financial Dispute or as an Arbitration Matter. If the JCC Dispute regards the Commercialization Plan and Budget and its contents for any Product, then such JCC Dispute shall not be subject to arbitration hereunder, no Party shall have final decision-making authority and the Parties shall not be deemed to be in breach of their Commercially Reasonable Efforts to Commercialize the Product and the previous year's Commercialization Plan and Budget shall apply.

8.6Final Decision-Making Authority of the Parties. In the event a JCC Dispute is unresolved pursuant to Section 8.5 as set forth above:

(a)Nektar shall have final decision-making authority regarding (i) Pricing Decisions for the Product on a continuing, global basis, *provided that* the Pricing Decisions, once established for any given Pricing Period, shall not be changed during the applicable Pricing Period except as jointly agreed by the Parties through the JCC, and (ii) the Commercialization of Nektar Combinations and any Monotherapy.

(b)Subject to Nektar's final decision-making authority set forth in Section 8.6(a), BMS shall have final decision-making authority regarding (i) the Commercialization (but not Pricing Decisions) of the BMS Combinations, and (ii) any execution decisions for implementing the Commercialization Plan and Budget, to the extent not otherwise explicitly set forth or in conflict with any other provision in this Agreement.

8.7Pricing. As a general matter and subject to the oversight of the JCC under Section 8.3, Nektar shall be responsible for price negotiations and other interactions with Third Party payors or purchasers of the Product in Nektar Combinations in all countries in the Territory, whether developed under the Joint Development Plan or an Independent Study. As a general

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matter and subject to the oversight of the JCC under Section 8.3, BMS shall be responsible for price negotiations and other interactions with Third Party payors or purchasers of the Product in BMS Combinations in all countries in the Territory, whether developed under the Joint Development Plan or an Independent Study. Each Party shall have the right to jointly participate in any such negotiations or interactions led by the other Party. With respect to the foregoing, any deviation from the Pricing Decisions requires a disclosure to and approval of the JCC, subject to Nektar's final decision making authority under Section 8.6, as limited by such Section.

8.8Booking of Sales. Unless otherwise agreed by Nektar in writing during the Term, required by Applicable Law, or if required by applicable accounting principles (as determined by Nektar, but subject to Section 15.1(a)), Nektar shall book all sales and revenue of Nektar Compounds and Product, and the Parties shall agree to the procedures to allow Nektar to (a) book all such sales and revenue and (b) receive all proceeds from such sales and revenue directly from the applicable Third Parties, in each case in accordance with applicable accounting principles to maintain Finance and Accounting Compliance. The Parties will cooperate and report and reconcile Net Product Sales and Net Profits in accordance with the Revenue Reporting and Reconciliation Procedures and Section 9.5. Nektar will book all sales and revenue of all other Nektar Assets (i.e., all Nektar Assets other than the Nektar Compounds) and retain all revenue for such sales. BMS will book all sales of BMS Assets and retain all revenue for such sales.

8.9Commercialization.

(a)The Parties shall be responsible for paying all Commercialization costs incurred by such Party set forth in the Commercialization Plan and Budget and Global Pricing and Reimbursement Plan approved by the JCC, and subject further to the Revenue Reporting and Reconciliation Procedures and Section 9.5. Each Party shall use Commercially Reasonable Efforts to Commercialize Products in the Field in the Territory in accordance with the Commercialization Plan and Budget and the terms of this Agreement.

(b)The JCC may establish standards applicable to the Parties' performance of Commercialization activities in accordance with the Commercialization Plan and Budget and this Agreement, which may include standards for sales representatives promoting Products in the Field. The Parties may review and discuss each Party's (and its Affiliates') performance against such standards at each meeting of the JCC. If the JCC determines that a Party or its Affiliate has failed to comply with such standards and such failure could adversely affect the Development or Commercialization of any Product in the Field, or if the JCC does not agree and one Party believes such is the case, the JCC shall (or such Party may) escalate the issue to the JEC for review and resolution.

(c)Each Party shall be responsible for day-to-day implementation of the Commercialization activities with respect to the Product for which it has or otherwise is assigned responsibility under this Agreement or the Commercialization Plan and Budget and shall keep the other Party reasonably informed as to the progress of such activities, as determined by the JCC.

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The Commercialization Plan and Budget shall include a description of the promotional efforts on a country-by-country basis for the Nektar Combinations and BMS Combinations.

(i)BMS shall have all promotional responsibility for the promotion, marketing, medical support, market access/reimbursement and patient advocacy activities, in the Territory for BMS Combinations Developed under the Joint Development Plan or under an Independent Study.

(ii)Nektar shall have all promotional responsibility for the promotion, marketing, medical support, market access/reimbursement and patient advocacy activities, in the Territory for Nektar Combinations Developed under the Joint Development Plan or under an Independent Study.

(d)For clarity, nothing in Section 8.9(c) shall limit either Party from promoting the Product to the extent permitted by Applicable Law outside of the scope of the Commercialization Plan and Budget, provided that (A) such promotion shall be consistent with the other provisions of this Article 8; (B) such promotion shall be consistent with the Product Brand Strategy in order to prevent counter-detailing of BMS Combinations or Nektar Combinations; (C) the Parties will not be permitted to create, disseminate or otherwise use or employ negative messaging regarding the BMS Assets and BMS Combinations, in the case of Nektar, and the Nektar Assets and Nektar Combinations, in the case of BMS; and (D) the Parties shall limit claims of efficacy and safety for any Product to those that are consistent with Applicable Laws.

(e)Unless otherwise approved by the JCC, in the performance of Commercialization (including promotion) of the Nektar Compound and Product pursuant to this Agreement, neither Party (nor any Nektar Successor or BMS Successor) shall use, other than promotional materials approved in accordance this Agreement, the trademarks, logos, promotional materials, trade dress, copyrights, corporate logos, corporate names, visual identity and branding elements of the other Party (or the other Party's other products) without the prior written consent of such other Party.

(f)The Parties shall use Commercially Reasonable Efforts to ensure commercial availability of the Nektar Assets (other than the Product) or BMS Assets, as applicable, that are used in Combined Therapies, at a level and volume of supply necessary to support achievement of the forecasted sales of the Product.

(g)Product Brand Strategy and Promotional Materials.

(i)The JCC shall appoint a joint Product brand strategy working team (the "***Product Brand Strategy Working Team***"). As set forth in the Commercialization Plan and Budget, Nektar and BMS shall develop the global brand strategy for the Product (the "***Product Brand Strategy***"), including positioning, branding, and global messaging, that will guide the development of the relevant sales, promotion, market access and

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advertising materials by Nektar (for the Nektar Combinations pursuant to Section 8.9(g)(ii)) and by BMS (for the BMS Combinations pursuant to Section 8.9(g)(iii)). The Product Brand Strategy must comply with each Party's applicable SOPs, the Commercialization Plan and Budget, Applicable Laws and Regulatory Approvals. If the Product Brand Strategy Working Team cannot agree upon certain matters relating to the Product Brand Strategy, the matter may be referred to (A) the JCC or (B) for legal and compliance matters, the legal or compliance departments of the Parties, and then to the JCC for resolution, subject in this case to the final approval of the Parties' respective compliance officers and legal departments, provided that if the Parties' compliance officers or legal departments are unable to reach an agreement on the matter referred to them in accordance with the immediately preceding sentence, then the Parties shall adopt the approach of the Party with the more conservative compliance or legal position regarding such matter.

(ii)Nektar shall develop the relevant sales, promotion, market access and advertising materials relating to the Nektar Combinations for use in the Territory by Nektar and its Affiliates, provided that such materials, to the extent that they relate to the Product, shall be consistent with the Product Brand Strategy. Nektar shall be responsible for compliance for such materials, including with Applicable Law and the applicable Regulatory Approvals.

(iii)BMS shall develop the relevant sales, promotion, market access and advertising materials relating to the BMS Combinations for use in the Territory by BMS and its Affiliates, provided that such materials, to the extent that they relate to the Product, shall be consistent with the Product Brand Strategy. BMS shall be responsible for compliance for such materials, including with Applicable Law and the applicable Regulatory Approvals.

(iv)Copies of all promotional materials relating to the Nektar Combinations and BMS Combinations as set forth in Sections 8.9(g)(ii) and 8.9(g)(iii), used by Nektar and BMS and their Affiliates in the Territory will be archived by Nektar and BMS, as applicable, in accordance with Applicable Law.

(v)The JCC shall develop and approve Product packaging for use in the Territory by both Parties and their Affiliates, which shall be consistent with the Commercialization Plan and Budget and compliant with the Product Brand Strategy, each Party's applicable SOPs, Applicable Laws and Regulatory Approvals.

(h)The Parties shall establish reasonable procedures to protect the secrecy of Nektar's and BMS's competitively sensitive Confidential Information with respect to the Commercialization of Combined Therapies, including limiting access to such information to ensure that employees performing activities in connection with a Party's assets or combination of assets outside the Joint Development Plan that compete with a Product in the Field do not receive

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competitively sensitive Confidential Information with respect to the Commercialization of Combined Therapies.

8.10Trademarks.

(a)The Parties shall Commercialize the Product in the Territory under trademarks selected by the JCC and Controlled by Nektar, *provided that* Nektar shall have final decision making authority in relation to the selection of such trademark. The Parties shall Commercialize all Products in the Territory under brands, logos, trade dress and other trademarks selected by the JCC, subject to Nektar's final decision making authority, except that BMS shall have the ability to finally reject any trademark that it reasonably believes is too similar to the registered trademark of any BMS Asset (collectively, the "***Product Marks***"), *provided that* the Product packaging and inserts shall include the logos and corporate names of both Parties in a manner to be agreed by the Parties. Product Marks may not use, incorporate or be confusingly similar any trademarks, trade names, service marks, logos, slogans, or trade dress, including corporate names, Controlled by BMS or any of BMS's Affiliates without BMS's prior written consent. Once the Product Marks are identified, Nektar shall provide BMS with a license pursuant to a mutually agreed trademark agreement to reproduce, use and display such Product Marks solely for the purpose of (i) the Commercialization of the Product in the Field in the Territory under this Agreement, (ii) to the extent that BMS is a Manufacturing Party, the Manufacture of the Product, and (iii) any other activities permitted by this Agreement.

(b)BMS shall display symbols and notices clearly and sufficiently indicating the Product Marks's trademark status and ownership. All proprietary rights and goodwill associated with BMS's use of the Product Marks shall inure to the benefit of Nektar. BMS shall not (and shall cause its Affiliates and sublicensees not to): (i) use the Product Marks, either directly or indirectly, in any promotional materials, packaging, or Labelling without Nektar's prior review and written consent in accordance with Section 8.9(g), such consent not to be unreasonably withheld or delayed; (ii) publish or disseminate any promotional materials or Labelling that is inconsistent in any material respect with those previously reviewed and approved by Nektar; (iii) establish any Internet domain name or URL incorporating any Product Mark without Nektar's prior written consent; (iv) use the Product Marks in combination with any other name or trademark in a manner that creates a combination trademark; (v) contest the validity of, or take any action that a reasonable person would believe would impair any part of Nektar's ownership of the Product Marks or diminish or dilute their distinctiveness or validity; (vi) challenge Nektar's ownership of the Product Marks and/or registration thereof; or (vii) attempt to register any Product Mark or any trademark confusingly similar to any Product Mark as a trademark in BMS's own name.

8.11Sales Representatives.

(a)Nektar and BMS shall each ensure that its and its Affiliates' sales representatives do not make any representation, statement, warranty or guaranty with respect to a Product that is not consistent with the applicable, current package insert of prescribing information or other documentation accompanying or describing such Product, including mutually approved

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limited warranty and disclaimers, if any. Nektar and BMS shall each ensure that its and its Affiliates' sales representatives do not make any statements, claims or undertakings to any Person with whom they discuss or promote the Products that are not consistent with, nor provide or use any Labelling, literature or other materials other than, those promotional materials currently approved for use by the JCC in the Territory. If at any time the JCC no longer approves the use of specified promotional materials in a certain market in the Territory, each Party shall immediately take action to remove the promotional materials from use by its and its Affiliates' sales representatives in such market.

(b)Nektar and BMS shall each ensure that its and its Affiliates' sales representatives do not create, disseminate or otherwise use or employ any disparaging, untrue, misleading or inaccurate statements or comments about the other Party or its employees, or about the Products (whether as a Monotherapy or Combined Therapy).

(c)Nektar and BMS shall each cause its and its Affiliates' sales representatives to comply with Applicable Laws and guidelines related to the performance of its obligations hereunder. Each Party shall, and shall cause its Affiliates to, maintain records of its sales representative activities in the Territory and each Party shall allow, and shall cause its Affiliates to allow, representatives of the other Party to inspect such records upon request during normal business hours and upon reasonable prior notice.

8.12BMS Combination Commercialization Option.

(a)Option. Nektar has the option (on a country-by-country basis within the Major Markets) to provide Commercialization resources or services (i.e., in addition to the current BMS Commercialization-related FTEs and resources allocated to the promotion of the BMS Combinations) for the promotion of the BMS Combinations in any country in the Major Markets in accordance with this Section 8.12 ("***BMS Combination Commercialization Option***"). Nektar may exercise the BMS Combination Commercialization Option in any of such countries in the Major Markets by written notice to BMS indicating the percentage of and types of Commercialization resources or services Nektar would provide (not to exceed [***] of the aggregate Commercialization resources dedicated to the Commercialization of the BMS Combinations in the applicable Commercialization Plan and Budget, provided that BMS shall not be required to modify its sales force structure or size as a result of the exercise of the BMS Combination Commercialization Option (it being understood that the Parties shall work together in good faith to optimize efficiency of sales force activities and resources directed to the BMS Combinations)) at any time prior to the date that is [***] prior to the estimated date of First Commercial Sale of Product in such market, as reasonably estimated by the Parties, but in no event earlier than [***]. If Nektar does not timely exercise its BMS Combination Commercialization Option then, the BMS Combination Commercialization Option shall expire with respect to such Major Market country. All costs associated with the BMS Combination Commercialization resources or services to be provided by Nektar following exercise of the BMS Combination Commercialization Option will be included in an amended Commercialization Plan and Budget, and the allocation of such costs to a Product shall be based on an equitable allocation of such

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efforts to the Product versus other promotional activities being undertaken by the applicable Nektar employees and representatives. The methodology for such allocation shall be determined by the JCC. For the avoidance of doubt, any Commercialization resources or services (including direct-to-consumer advertisements) provided or performed by Nektar pursuant to this Section 8.12 shall be subject to the other provisions of this Agreement and, in particular, Sections 8.6(b) and 8.9(g)(iii), and the standards and guidelines determined by BMS, as lead Party for the Commercialization of the BMS Combinations pursuant to Section 8.9(c)(i).

(b)Information Sharing Agreement. If Nektar provides written timely notice to BMS that Nektar will exercise the BMS Combination Commercialization Option for a Major Market and elect to provide Commercialization-related FTEs for the promotion of the BMS Combinations, the Parties shall enter into good faith negotiations relating to the terms of, and shall enter into, an information sharing agreement ("***Information Sharing Agreement***") within ninety (90) calendar days of the exercise of the BMS Combination Commercialization Option. The Information Sharing Agreement shall include mutually acceptable guidelines, procedures and requirements for (i) the exchange of any applicable training materials and other information concerning the Commercialization of the BMS Combinations and (ii) the training of Nektar's sales force prior to commencement of Commercialization of the BMS Combination.

(c)Sales Force Experience. Nektar's sales force to be used for any Commercialization activities of the BMS Combinations shall be qualified to perform the obligations hereunder in a competent way, will have at least one year of prior experience promoting and detailing pharmaceutical products in the field of oncology to specialty physicians or other relevant oncology experience, and shall perform their obligations in accordance with all Applicable Law.

(d)Change of Control.

(i)[***].

(ii)[***].

(iii)The Nektar Successor's right to promote the Product to the full extent permitted by Applicable Law, including under the BMS Combination Commercialization Option to the extent exercised, remains unaffected by termination of the Information Sharing Agreement. Without limiting the generality of the preceding sentence, the Nektar Successor is entitled to promote all Indications (including Combined Therapies) of the Product in accordance with this Agreement (including under the purview of the JCC and the Commercialization Plan and Budget), provided that (A) the Nektar Successor will not be permitted to create, disseminate or otherwise use or employ negative messaging regarding the BMS Assets and BMS Combinations, in the case of Nektar, and the Nektar Assets and Nektar Combinations, in the case of BMS, (B) the Nektar Successor shall limit claims of efficacy and safety for any Product to those that are consistent with Applicable Laws and with approved promotional claims in, and not add, delete or otherwise

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modify claims of efficacy and safety in the promotion of Product in any respect from those claims of efficacy and safety that are contained in relation to the other Party's Combinations or the Product Labels, and (C) the Nektar Successor shall not use any BMS Confidential Information in relation to such promotion.

8.13Returns. Nektar shall be responsible for handling all returns of the Products in the Territory, and if a Product sold in the Territory is returned to BMS, BMS shall promptly ship such Product to a facility designated by Nektar. Nektar shall also be responsible for handling all aspects of Product order processing, invoicing and collection, distribution, inventory and receivables in the Territory. If Nektar elects to subcontract such activities, the JCC will discuss whether to have such activities performed by BMS.

8.14Recalls, Market Withdrawals or Corrective Actions. Subject to the applicable Quality Agreement, in the event that any Regulatory Authority issues or requests a recall or takes a similar action in connection with a Product in the Territory, or in the event either Party determines that an event, incident or circumstance has occurred that may result in the need for a recall or market withdrawal in the Territory, the Party notified of such recall or similar action, or the Party that desires such recall or similar action, shall within [***], advise the other Party thereof by telephone or facsimile. Nektar, in consultation with BMS, through the JDC, JCC or JMC, as applicable, shall decide whether to conduct a recall in any market in the Territory (except in the case of a government mandated recall, when Nektar may act without such advance notice but, shall notify BMS as soon as possible) and the manner in which any such recall shall be conducted (and in the event of any disagreement regarding a recall in the Territory, the approach that is more conservative shall control). Each Party will make available to the other Party, upon request, all of such Party's (and its Affiliates') pertinent records that such other Party may reasonably request to assist such other Party in effecting any recall. The costs and expenses of any such recall shall be taken into account in determining Net Profits and calculated in accordance with Section 9.5.

8.15Medical Inquiries. The Parties shall agree on the procedures to be followed in relation the handling of all medical questions or inquiries from members of the medical profession regarding the Products and the Parties shall cause their sales representatives to refer all such questions and inquiries within [***] of receipt in accordance with such agreed procedures. The Parties' costs and expenses incurred in handling medical questions and inquiries in accordance with this Section 8.15 shall be taken into account in the Commercialization Plan and Budget and in accordance with Section 9.5.

8.16Events Affecting Integrity or Reputation. During the Term, the Parties shall notify each other immediately of any circumstances of which they are aware and which could impair the integrity and reputation of the Product in the Field or if a Party is threatened by the unlawful activity of any Third Party in relation to a Product in the Field, which circumstances shall include, by way of illustration, deliberate tampering with or contamination of a Product in the Field by any Third Party as a means of extorting payment from the Parties or another Third Party. In any such circumstances, the Parties shall use Commercially Reasonable Efforts to limit any damage to the Parties and/or to the Product with the understanding that the health and welfare of

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patients is of foremost importance. The Parties shall promptly call a meeting to discuss and resolve such circumstances.

ARTICLE 9

FINANCIAL MATTERS

9.1Initial Payments.

(a)On the Closing Date, BMS shall pay Nektar a non-refundable and non-creditable amount equal to one billion dollars ($1,000,000,000) (the "***Upfront Payment***").

(b)On the Closing Date, and pursuant to, and as set forth in, the Investment Agreements, BMS shall acquire eight hundred and fifty million dollars ($850,000,000) of equity in Nektar (the "***Equity Payment***").

9.2Development Milestone.

(a)Notice of Development Milestone Achievement. Within [***] following the date of achievement by Nektar (whether by Nektar or any of its Affiliates or any of their respective sublicensees) of any of the Development Milestone events described in the table in this Section 9.2 with respect to a Product (each a "***Development Milestone***"), Nektar shall give notice to BMS thereof in writing, but the failure to provide such timely notice shall not be deemed a breach of this Section. Within [***] following the date of achievement by BMS (whether by BMS or any of its Affiliates or any of their respective sublicensees) of any of the Development Milestone events, BMS shall give notice to Nektar thereof in writing, but the failure to provide such timely notice shall not be a breach of this Section.

(b)Payment for Development Milestone Achievement. Within [***] following the achievement of a particular Development Milestone event with respect to the first Product to achieve such Development Milestone, BMS shall pay, or cause to be paid, to Nektar the corresponding payment for the applicable Development Milestone achieved as set forth below (each a "***Development Milestone Payment***"), each such payment being non-refundable and non-creditable.

Product Event	**Payment Amount (USD) for 1st Indication**	**Payment Amount (USD) for 2nd Indication**	**Payment Amount (USD) for 3rd Indication**	**Payment Amount (USD) for 4th Indication**
BLA Filing in U.S. for a Product	[***]	[***]	[***]	[***]

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BLA (or equivalent) Filing in E.U. for a Product	[***]	[***]	[***]	[***]
BLA (or equivalent) Filing in Japan for a Product	[***]	[***]	[***]	[***]
First Commercial Sale in U.S. for a Product	[***]	[***]	[***]	[***]
First Commercial Sale in E.U. for a Product	[***]	[***]	[***]	[***]
First Commercial Sale in Japan for a Product	[***]	[***]	[***]	[***]
Total	**$650M**	**$260M**	**$260M**	**$260M**

Each Development Milestone set forth in this Section 9.2 shall be payable only one time regardless of the number of Products that achieve such Development Milestone. Each Product may obtain Regulatory Approval for more than one Indication and as such may be subject to multiple Development Milestones. For clarity, a single Filing may relate to multiple Indications, and if so, may trigger multiple Development Milestone Payments. As used in this Section 9.2, the Product Event describing a BLA (or equivalent) Filing in the U.S., E.U. or Japan for a Product includes any BLA Filing seeking an accelerated or conditional approval. For clarity, in no event shall total Development Milestone Payments to be made with respect to a particular Product exceed $1,430,000,000 in the aggregate.

9.3Commercial Milestones.

(a)Notice of Commercial Milestone Achievement. Within [***] after the date of the achievement (in aggregate by the Parties, any Third Party Collaborator, their respective Affiliates and sublicensees), of any of the Commercial Milestone events (which Net Product Sales are aggregated for all Products) described in the table in this Section 9.3 below (each a "***Commercial Milestone***"), Nektar shall give notice to BMS thereof in writing.

(b)Payment for Commercial Milestone Achievement. Within [***] following the receipt of the notice referred to in Section 9.3(a), BMS shall pay, or cause to be paid, to Nektar the corresponding payment for the applicable Commercial Milestone achieved as set forth below (each a "***Commercial Milestone Payment***"), each such payment being non-refundable and non-creditable.

Net Product Sales Event	Payment Amount (USD)
The first Calendar Year in which the total annual worldwide Net Product Sales for any or all Product(s) (including all Indications and formulation of such Products) equals or exceeds [***] USD	[***]
The first Calendar Year in which the total annual worldwide Net Product Sales for any or all Product(s) (including all Indications and formulation of such Products) equals or exceeds [***] USD.	[***]
The first Calendar Year in which the total annual worldwide Net Product Sales for any or all Product(s) (including all Indications and formulation of such Products) equals or exceeds [***] USD.	[***]
Total	**$350 million**

Each Commercial Milestone set forth in this Section 9.3 shall be payable only one time.

(c)Calculation of Commercial Milestone. For the purposes of calculating the Commercial Milestone events and Commercial Milestone Payments set forth in this Section 9.3, the revenue received by a Party (including any Affiliate) from any sublicensee of such Party or of such Party Affiliate under this Agreement, for the sale, license, disposition or other transfer of a particular Product in the Territory, shall be adjusted to an estimated Net Product Sales equivalent number according to Nektar accounting policies.

9.4Global Commercial Profit Sharing.

(a)During the Term, Nektar and BMS shall share global Commercialization profits and losses with respect to each Product as follows: (i) the BMS share shall equal thirty-five percent (35%) of the Net Profit, whether positive or negative (the "***BMS Share of Net Profit***"); and (ii) the Nektar share shall equal sixty-five percent (65%) of the Net Profit, whether positive or negative (the "***Nektar Share of Net Profit***"). Notwithstanding the proceeding sentence, solely for the first twelve (12) Calendar Quarters following the First Commercial Sale of the first Product, for any Calendar Quarter in which Net Profit is negative, an amount equal to fifteen percent (15%) of the Net Profit for any such Calendar Quarter (a "***Loss Carry-Forward***") shall be borne by BMS on behalf of Nektar and carried over to subsequent Calendar Quarters in which Net Profit is positive, to be set off against Nektar Share of Net Profit and retained by BMS in such positive Calendar Quarter and any subsequent positive Calendar Quarters. Notwithstanding anything to the contrary, in the event of a Change of Control of Nektar, [***].

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(b)For territories that are not Major Markets, if the JFC agrees, the Parties may agree to convert the profit share set forth above in Section 9.4(a) into an equivalent royalty to be paid to the Party that does not book the Product sales, provided that neither Party has any obligation to consent to such conversion.

9.5Calculation and Payment of Net Profit/Net Loss Share

(a)The JFC shall prepare for JCC approval reporting and reconciliation procedures for Commercialization and Product revenue ("***Revenue Reporting and Reconciliation Procedures***") that will provide both Parties with sufficient information to record appropriate reserves, adjustments and other accruals required, under each Party's accounting policies, including for Nektar to properly state Net Product Sales of the Product on a monthly basis in accordance with Nektar's accounting policies. The Revenue Reporting and Reconciliation Procedures will be developed in order to enable each Party to maintain Finance and Accounting Compliance under Applicable Law.

(b)On the [***] after the end of each Calendar Quarter, each Party shall use best efforts to report to the other Party estimated Net Product Sales incurred during such Quarter.

(c)Within [***] after the end of each Calendar Quarter, each Party shall provide to the other Party its estimated Allowable Commercialization Expenses incurred by such Party for each Product during such Calendar Quarter in each country in Territory, in accordance with U.S. GAAP, to allow for the calculation of estimated Net Profits for such Calendar Quarter. Each Party shall report to the other Party, within [***] after the end of each Quarter, the actual Net Product Sales and Allowable Commercialization Expenses incurred by such Party for each Product during such Calendar Quarter in each country in the Territory in a manner sufficient to enable the other Party to comply with its Finance and Accounting Compliance and on a line item basis consistent with the budgetary line items set forth in the Commercialization Plan and Budget (the "***Quarterly Report***"). Such Quarterly Report shall specify in reasonable detail all deductions allowed in the calculation of such Net Product Sales and all expenses included in Allowable Commercialization Expenses for such Product. If requested by a Party, any invoices or other supporting documentation for any payments to a Third Party in respect of Allowable Commercialization Expenses that individually exceed [***] (or such other amount as may be specified by the JEC from time to time) shall be promptly provided not more than [***] after receipt of a request therefor.

(d)Within [***] after the end of each Calendar Quarter (commencing with the Calendar Quarter in which the first Commercialization expenses (such as pre-launch expenses) are incurred), the Parties shall reconcile all Net Product Sales and Allowable Commercialization Expenses on a country-by-country basis to ascertain whether there is a positive or negative Net Profit with respect to any Product in each such country, and not later than [***] following such reconciliation the Parties shall make such payments to one another in accordance with this Agreement as may be necessary to achieve the sharing of Net Profit with respect to such Product in such country, such payment may also be reconciled with any other applicable payment to be

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made by one Party to the other Party so that a single reconciliation payment is made. To the extent any payments between the Parties include any element of Net Profit, such payments shall be taken into account for purposes of determining the ultimate settlement of Net Profit between the Parties.

(e)In determining the amount of Net Profit payment to be made with respect to a given country, the Parties shall also take into account any payments made by either Party to the other in such country (or its Affiliate) pursuant to any other agreement between the Parties or their Affiliates in consideration of Commercialization efforts in such country for the applicable period.

(f)Notwithstanding anything to the contrary in this Section, on a Calendar Year basis, the Parties shall not share or reimburse any Allowable Commercialization Expenses in excess of the amounts allocated for such Calendar Year in the Commercialization Plan and Budget and each Party will be solely responsible for Allowable Commercialization Expenses it incurs in excess of such budget; *provided, however*, that Allowable Commercialization Expenses in excess of such budget shall be included in the calculation of Net Profits to be shared by the Parties if [***].

(g)The JFC shall also determine if a quarterly, nonbinding estimated Net Profit report consistent with a Party's internal reporting standards should be provided for planning purposes, but which would not be binding or used to determine or make any payments.

9.6Joint Finance Committee.

(a)Joint Finance Committee. Promptly after the Effective Date, the Parties shall form a Joint Finance Committee (the "***JFC***"). The JFC shall consist of an equal number of representatives from each Party. Each Party's representatives shall include JFC members with the appropriate level of seniority and expertise in accounting, budgeting, cost allocation, and financial reporting. The JFC shall be co-chaired with one chairperson designated by each Party (each, a "***JFC Co-Chair***"). The JFC shall meet at such frequency as the JFC agrees (and it may appoint working teams to meet more frequently), *provided that* either Party through its JFC Co-Chair may request a meeting of the JFC at any time upon five (5) Business Days' notice to the other Party, with the understanding that the other Party will use reasonable efforts to comply with such request but such other Party will not be in breach of this Agreement in the event that it is unable to comply with such request but is using reasonable efforts to conduct a JFC meeting as promptly as practicable. Upon request by either Party, such meetings will be held by audio or video teleconference. There must be a minimum of [***] from each Party at any meeting of the JFC. No fewer than five (5) Business Days prior to each meeting, and in any event as soon as reasonably practicable, each Party shall use good faith efforts to disclose to the other Party any proposed agenda items together with appropriate supporting information. The JFC Co-Chairs or Alliance Managers of each Party shall alternate responsibility for preparing and circulating definitive minutes of each meeting of the JFC. Such minutes shall provide a description, in reasonable detail, of the discussions at the meeting, a list of material actions and decisions made by the JFC, a list of action items made by the JFC and a list of material issues not resolved by the JFC. The Alliance

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Manager who drafts the minutes shall provide the other Alliance Manager and each Party's JFC Co-Chair with the initial draft meeting minutes, who shall return the draft with any proposed changes, and this process shall be repeated until a final version of the meeting minutes is agreed upon and signed (or acknowledged as final via email) by the two JFC Co-Chairs. The Parties shall reasonably cooperate to complete and agree upon a final version of meeting minutes within ten (10) Business Days from the date of the relevant meeting. The final version of the meeting minutes shall be signed (or acknowledged as final via email) by the two JFC Co-Chairs, and each Party shall be provided with a copy of the final meeting minutes for its safekeeping. A reasonable number of additional representatives of a Party may attend meetings of the JFC in advisory capacity with the prior written consent of the other Party; *provided that* any JFC meetings that includes representatives of either Party who are not JFC members may, at the request of any JFC member, include a closed session consisting of only JFC members and Alliance Managers. All representatives to the JFC or attending JFC meetings shall be subject to confidentiality and nonuse restrictions at least as restrictive as those set forth herein.

(b)Responsibilities of the Joint Finance Committee. Each Party shall use Commercially Reasonable Efforts to keep the JFC informed about activities performed by that Party under the Development Program and the Commercialization Plan and Budget. The JFC (or in the absence of a formal JFC meeting the JFC Co-Chairs) shall be responsible for overseeing and coordinating the financial matters of the Parties with respect this Agreement, and providing a forum for the Parties to discuss, monitor and coordinate all financial activities and communications regarding the Agreement. JFC responsibilities include undertaking the following activities, and reporting and making recommendations to the JDC or JCC (as the case may be) as follows:

(i)preparing preliminary Development Budgets for Collaboration Studies and other activities included in the Joint Development Plan by October 15th of the prior Calendar Year, and presenting final draft versions of such Development Budgets to the JDC for approval (which presentations shall be made with enough lead time for the JDC to review, and approve, by November 30th of the prior Calendar Year, unless a different date is mutually agreed to by the JFC Co-Chairs):

(A)The Lead Party will prepare the initial budget of the applicable Collaboration Study for review by the Joint Finance Committee and will be responsible for maintaining such budget throughout the completion of the applicable Collaboration Study.

(B)The Development Budget for a Collaboration Study should include any additional information as the JFC may agree.

(ii)periodically reviewing the Development Budget status of Collaboration Studies and monitoring:

(A)actual Development Costs incurred to date;

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(B)forecast of remaining Development Costs; and

(C)contracted Third Party costs;

(iii)reviewing the estimated Development Cost of each Independent Study proposed for inclusion in the Joint Development Plan as a Collaboration Study and, if such proposed Independent Study is actually included in the scope of the Joint Development Plan as a Collaboration Study, preparing and presenting the required update to the Development Budget to the JDC for approval, based on criteria and timelines mutually agreed to by the JFC Co-Chairs;

(iv)reviewing and revising (if needed) preliminary annual budgets under the Commercialization Plan and Budget by October 15th of the prior Calendar Year, and presenting such budgets to the JCC for approval (which presentations shall be made with enough lead time for the JCC to review, and approve, by November 30th of the prior Calendar Year, unless a different date is mutually agreed to by the JFC Co-Chairs);

(v)developing a methodology for calculating Allowable Commercialization Expenses, including the proper allocation of FTE costs including to the extent that FTEs promote other products or otherwise engage in activities not solely related to Commercialization of the Product;

(vi)reviewing and approving Allowable Commercialization Expenses or any other allocations of a Party's internal costs or expenses to be shared between the Parties in connection with Commercialization of the Product;

(vii)overseeing the Development Cost Reporting Reconciliation Procedures and Revenue Reporting and Reconciliation Procedures set forth in Sections 9.5 and 9.7;

(viii)overseeing the Opt-Out Development Cost Reconciliation Procedures set out in Section 9.7;

(ix)reviewing the quarterly reconciliation of Collaboration Study Development Costs and reconciliation of Net Profit, and approving the net payment due between the Parties as set forth in Sections 9.5 and 9.7;

(x)overseeing internal and Third Party financial or accounting audits in accordance with this Agreement;

(xi)providing support to the other Committees with respect to financial, accounting, budgeting, reporting and other issues that may arise in connection with the Development Budget, Commercialization Plan and Budget and other various plans or budgets for activities under this Agreement; and

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(xii)discussing any other topics or issues relating the Development Budget, Commercialization Plan and Budget or other that either Party requests that cannot be resolved at the working team level.

(c)Authority of the Joint Finance Committee; Disputes. The JFC shall take action by unanimous consent, with each Party having a single vote, irrespective of the number of its representatives actually in attendance at a meeting. In the absence of a formal meeting, the JFC Co-Chairs shall have decision-making authority for the JFC, so long as any decisions are documented as provided herein. The JFC shall have the right to make only those determinations expressly enumerated as decisions of the JFC in this Agreement; *provided that* such determinations are documented in the written minutes signed (or acknowledged as final via email) by the JFC Co-Chairs. The JFC will have no power (i) to amend this Agreement or (ii) to modify either Party's obligations with regard to this Agreement. The representatives of the JFC shall attempt in good faith to reach consensus on all matters properly brought before the JFC. If, after a good faith, reasonable and open discussion among the members of the JFC, the JFC is unable to agree on a matter that has been properly before it for a period of ten (10) Business Days and that calls for a decision, either Party may refer the dispute (a "***JFC Dispute***") to the JEC for resolution. If the JEC is unable to reach a resolution within [***] of the referral of the JFC Dispute to the JEC, either Party may refer such JFC Dispute to the Executive Officers for resolution. If the Executive Officers are unable to reach a resolution within [***] of such referral then the JFC Dispute shall be resolved through arbitration as provided for in Article 15.

9.7Procedures For Development Cost Reporting and Reconciliation: Collaboration Studies and Independent Studies.

(a)Subject to Section 6.4, Development Costs initially shall be borne by the Party incurring the Development Cost, subject to reimbursement as provided in this Section 9.7. Each Party shall calculate and maintain records of Development Costs incurred by it and its Affiliates in accordance with procedures to be established by the JFC and approved by the JDC. The procedures for quarterly information sharing, reporting of actual results, quarterly reconciliation, reasonable cost forecasting, and other finance and accounting matters related to Development Costs for Collaboration Studies will be determined by the JFC (the "***Development Cost Reconciliation Procedures***"). The Development Cost Reconciliation Procedures will enable each Party to achieve and maintain Finance and Accounting Compliance. With respect to each Collaboration Study, each Party shall provide to the other Party, within [***] of the end of each Calendar Quarter, the estimated Collaboration Study Development Costs incurred in accordance with U.S. GAAP during such Calendar Quarter by such Party. A final report of actual Collaboration Study Development Costs incurred in accordance with U.S. GAAP during such Calendar Quarter by such Party will be provided within [***] of the end of each Calendar Quarter. Such report shall specify in reasonable detail all expenses included in such Collaboration Study Development Costs during such Calendar Quarter. Within [***] of the end of each Calendar Quarter, or for the last Calendar Quarter in a Calendar Year, within [***] of the end of such Calendar Year, amounts for Collaboration Study Development Costs will be billed to the Party that has paid less than its share of such Collaboration Study Development Costs and such Party

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shall make a reconciling payment to the other Party to achieve the applicable sharing of such Collaboration Study Development Costs. If reasonably requested by the other Party, each Party shall make every reasonable attempt to accommodate the request and provide copies of any applicable invoices that individually exceed [***].

(b)Within [***] following the receipt of such report, unless a different timeframe is mutually agreed to by the JFC Co-Chairs, each Party shall have the right to request reasonable additional information related to the other Party's, its Affiliates', and Third Party Collaborators' Collaboration Study Development Costs during such Calendar Quarter in order to confirm that such other Party's spending is in conformance with the Development Budget and this Agreement. Upon a receipt of a request for additional information, the Party receiving such request shall attempt to comply with the request for additional information as quickly as practicable.

(c)The Parties shall use [***] to discuss and resolve any disputed amounts with respect to Collaboration Study Development Costs incurred or accrued by a Party within [***], unless a different timeframe is mutually agreed to by the JFC Co-Chairs, following the receipt by each Party of the other Party's report under this Section 9.7.

(d)Notwithstanding the foregoing, on a Calendar Year basis, the Parties shall not share or reimburse any Collaboration Study Development Costs (other than Clinical Manufacturing Costs, which shall not be capped by this Section 9.7(d)) in excess of the amounts allocated for such Calendar Year in the Development Budget and each Party will be solely responsible for such Collaboration Study Development Costs it incurs in excess of the amounts set forth in the Development Budget; *provided*, *however*, that Collaboration Study Development Costs in excess of the Development Budget shall be included in the calculation of Collaboration Study Development Costs to be shared by the Parties if [***].

(e)Nektar's share of Collaboration Study Development Costs that it is responsible for under the Joint Development Plan is subject further to the Development Cost Cap and limitations set forth in Section 6.4, and any payments required of Nektar or BMS (as applicable) shall be adjusted to account for the Development Cost Cap and the reimbursement thereof to BMS in accordance with Article 6.

(f)The procedures for annual reporting of actual results, annual review and discussion of potential discrepancies, annual reconciliation, cost forecasting, and other finance and accounting matters related to Opt-Out Development Costs will be determined by the JFC (the "***Opt-Out Development Cost Reconciliation Procedures***"). The Opt-Out Development Cost Reconciliation Procedures will provide enough information (subject to Third Party confidentiality restrictions, if any) to enable the non-funding Party to comply with financial reporting requirements under Applicable Law. In any event, each Party shall submit to the JFC by [***], a report (in an Independent Study-by-Independent Study format), in such reasonable detail and format as is established by the JFC, of all Opt-Out Development Costs incurred by such Party during such Calendar Year and the full budget, remaining amount of budget, and forecasted costs for the following Calendar Year associated with each such Independent Study. Within [***]

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following the receipt of such report, unless a different timeframe is mutually agreed to by the JFC Co-Chairs, each Party shall have the right to request reasonable additional information related to the other Party's and its Affiliates' Opt-Out Development Costs during such Calendar Year. The JFC shall establish (subject to the Parties' mutual agreement with respect thereto) additional reasonable procedures for the Parties to share estimated Opt-Out Development Costs for each Calendar Quarter prior to the end of such Calendar Quarter, to enable each Party to appropriately review, account for and/or disclose its potential future obligation of Opt-Out Development Costs for financial reporting purposes.

9.8Certain Tax Matters. The Parties intend that the arrangements between the Parties hereunder shall be treated as a partnership for U.S. federal and state income tax purposes only. As soon as practicable after the Effective Date but no later than [***], the Parties shall enter into a separate agreement that will cover tax matters (the "***Tax Matters Agreement***") including provisions designating the tax representative for the partnership, governing the preparation and filing of tax returns, review of the tax returns, the Parties rights and obligations under audit and contest, document retention and other items that are customarily covered by an agreement of this type.

9.9Currency of Payments; Payment Method. Except as otherwise provided in this Agreement, all amounts owed by a Party under this Agreement shall be paid by such Party via electronic funds transmission of immediately available funds in U.S. dollars to the account designated in writing to such Party by the other Party. Conversion of amounts recorded in a currency other than U.S. dollars shall be performed in a manner consistent with each Party's normal practices used to prepare its audited financial statements for internal and external reporting purposes. All payments by one Party to another Party under this Agreement shall be paid by electronic funds transmission. Each Party shall provide payment method information to the JFC.

9.10Interest on Late Payments. Any undisputed payments or portions thereof that are not paid on the date such payments are due, as provided in this Agreement, shall bear interest at the rate of [***] in which such payments are overdue, or [***], if less, in each case calculated on the number of days such payment is delinquent, compounded monthly.

9.11Withholding of Taxes. BMS agrees that the initial payment set forth in Section 9.1(a), all Development Milestone Payments and all Commercial Milestone Payments set forth in Section 9.2 and Section 9.3, and all other payments to Nektar under this Agreement, shall be paid from a United States domiciled entity for tax purposes; *provided, however*, that if any such payments are to be made from an entity domiciled outside of the United States, BMS must provide Nektar with notice at least [***] in advance of such payment to enable Nektar to meet requirements under Applicable Law and IRS Form 8802. Without modifying the preceding sentence, any withholding of taxes levied by tax authorities on the payments by BMS to Nektar hereunder that are required by Applicable Law to be deducted from such payments to Nektar will be deducted by BMS from the sums otherwise payable by it hereunder for payment to the proper tax authorities on behalf of Nektar, and BMS will pay the taxes to the proper taxing authority and send evidence of the obligation together with proof of tax payment to Nektar on a timely basis following that tax

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payment. Such taxes will be borne by Nektar. BMS agrees to reasonably cooperate with Nektar in the event Nektar claims exemption from such withholding or seeks refunds or deductions under any double taxation or other treaty or agreement from time to time in force, such cooperation to include providing receipts of payment of such withheld tax or other documents reasonably available to BMS.

9.12Indirect Taxes. The Parties shall discuss applicable mechanisms for minimizing such taxes to the extent possible in compliance with Applicable Law. In addition, the Parties shall cooperate in accordance with Applicable Law to minimize indirect taxes (such as value added tax, sales tax, consumption tax and other similar taxes) in connection with this Agreement.

9.13Financial Records. Each Party will keep, and will cause its Affiliates and sublicensees to keep, complete, true and accurate books and records in accordance with its accounting standards, and to maintain Finance and Accounting Compliance, in relation to Development Costs, Net Product Sales and Net Profit. Each Party will keep, and will cause its Affiliates and sublicensees to keep, such books and records for at least [***] following the Calendar Quarter to which they pertain or as otherwise required by Applicable Law.

9.14Audit. At the request (and expense) of a Party, the other Party shall permit a nationally recognized independent certified public accountant appointed by such requesting Party and reasonably acceptable to the other Party (*provided that* such accountant shall not be retained or compensated on a contingency basis and shall have entered into a confidentiality agreement with the Party to be audited), at reasonable times and upon reasonable notice, to examine those records as may be reasonably necessary (as determined by the auditor) to determine, with respect to any Calendar Year ending not more than [***] prior to a Party's request, the accuracy, correctness or completeness of any Development Costs for Collaboration Studies (including, for clarity, Opt-Out Development Costs reimbursed by the applicable Party pursuant to Section 7.4), Net Product Sales, and Allowable Commercialization Expenses. The foregoing right of review may be exercised [***] per year and [***] with respect to each such periodic report and payment. The Party requesting the audit shall submit an audit plan, including audit scope, to the Party to be audited for such audited Party's approval, which shall not be unreasonably withheld or delayed, prior to audit implementation. The auditor shall keep confidential any information obtained during such inspection and shall report to the requesting Party and the audited Party only the amounts of such Development Costs, Net Product Sales, and Allowable Commercialization Expenses. If it is determined that additional payments are owed or due during such period, the audited Party will pay the requesting Party (with interest subject to Section 9.10) the additional payments, or the requesting Party will pay (with interest subject to Section 9.10) the audited Party the overpaid amounts within [***] of the date the auditor's written report is received by the Party that requested the audit. The fees charged by the auditor will be paid by the Party requesting the audit unless such inspection reveals any unfavorable variance for the audited period of [***] or more, in which case the audited Party will pay the reasonable fees of the auditor. Once a Party has conducted a review and audit of the other Party pursuant to this Section 9.14 in respect of any given period, it may not subsequently re-inspect the other Party's or its Affiliates' records in respect of such period,

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unless a subsequent audit of a separate reporting period uncovers fraud on the part of the audited Party that is reasonably expected to have been occurring during the prior audited period.

9.15[***].

ARTICLE 10

GLOBAL REGULATORY

10.1Regulatory Approvals.

(a)INDs. Nektar, as the sponsor of record of each Nektar IND, shall prepare, file, maintain and solely own all Regulatory Documentation associated with each Nektar IND. The Party who is designated to be Lead Party, as the sponsor of record of the Combined Therapy Collaboration IND shall prepare, file, maintain and solely own all Regulatory Documentation (including the applicable Combined Therapy Collaboration IND) associated with the Combined Therapy Collaboration IND.

(b)BLAs. Notwithstanding either Party's ownership of (i) a Combined Therapy Collaboration IND as set forth in Section 3.2(e) or (ii) Regulatory Documentation associated with a Combined Therapy Collaboration IND as set forth in Section 10.1(a), unless otherwise agreed by the JDC:

(i)The Lead Party shall prepare all Regulatory Documentation for the first BLA to be filed for a Product (including, for the avoidance of doubt, the first BLA for NKTR-214) in the Field using any Monotherapy or Combined Therapy (including in combination with any BMS Asset, Third Party Asset or any other Nektar Asset). Nektar shall solely own and Nektar shall file and maintain (directly or through its designee, which may include BMS) all such Regulatory Documentation for each Regulatory Authority (i.e., for each country or region) for such first BLA to be filed for a Product (including, for the avoidance of doubt, the first BLA for NKTR-214) in the Field using any Monotherapy or Combined Therapy (including in combination with any BMS Asset, Third Party Asset or any other Nektar Asset) and all Regulatory Approvals related thereto; *provided that* BMS shall have the right to review and comment on all such regulatory filings;

(ii)The Lead Party (and if BMS is the Lead Party, then on behalf of Nektar) shall prepare, file and maintain all Regulatory Documentation for any supplemental BLA to be filed for a Product for any Indication in the Field using any Monotherapy or Combined Therapy (including in combination with any BMS Asset or Nektar Asset) and all Regulatory Approvals related thereto; *provided that* the non-Lead Party shall have the right to review and comment on all such regulatory filings; *provided further* that any supplemental BLA to be filed for a Product for any Indication in the Field using any Monotherapy or Combined Therapy (including in combination with any BMS

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Asset, Third Party Asset or any other Nektar Asset) shall be filed first as a supplemental BLA to the NKTR-214 BLA (or the first BLA on another Nektar Compound);

(iii)Notwithstanding Section 10.1(b)(ii), the Lead Party shall prepare all Regulatory Documentation for the first BLA to be filed for any Combined Therapy in a Collaboration Study or Independent Study that incorporates a Nektar Asset (other than NKTR-214) or BMS Asset, as the case may be, for such asset that has not achieved Regulatory Approval. The Party that owns or controls such non-approved asset shall solely own, and shall file and maintain (directly or through its designee) all such Regulatory Documentation for such first BLA to be filed for such asset and all Regulatory Approvals related thereto; *provided that* both Parties shall have the right to review and comment on all such regulatory filings; and

(iv)The Parties agree that Nektar and BMS shall each have all necessary Right of Cross-Reference and other rights to support such BLA and supplemental BLA filings, including through the rights set forth in Sections 3.2(e)(ii) (Combined Therapy Collaboration IND), 4.2(b)(v), 4.2(c)(v), 10.1(c) (Right of Cross-Reference), 10.3 (Regulatory Documentation) and 10.6 (Use of Study Data). If required to support any such BLAs or supplemental BLAs, the Lead Party shall transfer any Regulatory Approvals or Regulatory Documentation Controlled by such Lead Party related to a Collaboration Study or Independent Study, but excluding, for the avoidance of doubt, any BMS Regulatory Documentation in the case of Nektar as Lead Party or any Nektar Regulatory Documentation in the case of BMS as Lead Party (except that BMS shall have or be provided with the Regulatory Documentation for Nektar Compounds and Products in instances where Nektar is the Lead Party).

(c)Right of Cross-Reference. Without limiting each Party's rights and obligations as set forth in Article 4 or Section 10.1, each Party, its Affiliates and Third Party Collaborators (and Third Parties engaged in an Independent Study) has an irrevocable Right of Cross-Reference to the other Party's, its Affiliates' and the Third Party Collaborators' Regulatory Approvals and related filings anywhere in the world related to BMS Assets, Nektar Assets or Products used in Collaboration Studies or Independent Studies, that are Controlled by such other Party or its Affiliates, in each instance to the extent necessary for a Party in relation to, the performance of its obligations and exercise of its rights under this Agreement. Each Party or its Affiliate in furtherance of the foregoing, shall provide a signed statement to this effect, if requested by the other Party, in accordance with 21 C.F.R. §314.50(g)(3) or the equivalent as required in any country or region of the Territory, or shall otherwise provide appropriate notification of such right of the other Party to the applicable Regulatory Authority.

10.2Regulatory Authority Inspection. Each Party shall promptly notify the other Party in writing within one (1) Business Day of unannounced inspections by any Regulatory Authority and within two (2) Business Days of receipt of notification of an announced regulatory inspection with respect to any Nektar Compound or Product Development, Manufacture, or Commercialization.

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10.3Regulatory Documentation. Subject to Section 10.1, (a) BMS shall retain sole and exclusive ownership of any BMS Regulatory Documentation provided to Nektar under this Agreement that is submitted with or referenced in Collaboration Study Regulatory Documentation and (b) Nektar shall retain sole and exclusive ownership of any Nektar Regulatory Documentation that is submitted with or referenced in Collaboration Study Regulatory Documentation. This Section 10.3 is without limitation of any other disclosure obligations under this Agreement.

10.4Records. Each Party shall maintain complete and accurate records of all work conducted with respect to the Collaboration Studies and Independent Studies and of all results, information, data, data analyses, reports, records, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences and developments made by or provided to either Party, or by the Parties together, in the course of such Party(ies)' efforts with respect to the Collaboration Studies (including the Statistical Analysis Plan and any Bioanalysis Plan to be conducted pursuant to this Agreement) and Independent Studies (such results, information, data, data analyses, reports, case report forms, adverse event reports, trial records, methods, processes, practices, formulae, instructions, skills, techniques, procedures, experiences, developments, and each Protocol referred to as the "***Study Data***"). Such records shall fully and properly reflect all work done and results achieved in the performance of the Collaboration Studies and Independent Studies in sufficient detail and in good scientific manner appropriate for patent and regulatory purposes.

10.5Ownership of Study Data. BMS shall own the Study Data to the extent that it relates exclusively to the BMS Assets ("***BMS Study Data***"), and Nektar shall own the Study Data to the extent that it relates exclusively to the Nektar Assets ("***Nektar Study Data***"). Both Parties shall jointly own any Study Data that is generated from a Collaboration Study ("***Collaboration Study Data***"). Both Parties shall jointly own any Study Data that is generated from an Independent Study ("***Independent Study Data***") and that is not BMS Study Data or Nektar Study Data. Each Party shall, and does hereby, assign, and shall cause its Affiliates to so assign, to the other Party, without additional compensation, such right, title and interest in and to any Study Data as is necessary to fully effect the foregoing, and agrees to execute all instruments as may be reasonably necessary to effect same.

10.6Use of Study Data.

(a)Use of a Party's Own Study Data. Each Party may use and analyze its own Study Data for any purpose without obligation or accounting to the other.

(b)Use of Collaboration Study Data by BMS. BMS (and its respective Affiliates), Ono, and each of their respective (sub)licensees shall have the right to use and analyze the Collaboration Study Data (i) in connection with its independent Development, Commercialization or other exploitation of the BMS Assets (alone or in combination with other compounds) and/or for inclusion in the safety database for the BMS Assets, in each case without the consent of, or any obligation to account to, Nektar, and (ii) to conduct studies with Samples pursuant to Section 11.8. Subject to Section 11.8, the results of all such analyses or uses shall be

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owned by BMS, including any intellectual property arising out of same, unless the Parties shall have agreed otherwise in writing. BMS, its Affiliates, Ono and licensees shall also be entitled to use the Collaboration Study Data and Independent Study Data during and following the Term to (1) make regulatory filings and seek approvals for the BMS Assets, either alone or in combination with any Third Party Asset(s) or Nektar Assets evaluated in connection with an Collaboration Study or an Independent Study, and (2) to promote products based on, and to disseminate, the applicable Collaboration Study Data or Independent Study Data for the benefit of any BMS Asset, either alone or as part of Combined Therapy, where permitted by and in accordance with Applicable Law; *provided*, that nothing in the foregoing is intended or shall be construed as granting BMS any additional right or license, expressly or impliedly, to make, have made, use, sell, offer for sale, or import the Nektar Compound other than as expressly set forth in this Agreement.

(c)Use of Collaboration Study Data by Nektar. Nektar, its Affiliates and each of its and their respective (sub)licensees shall have the right to use and analyze the Collaboration Study Data (i) in connection with its independent Development, Commercialization or other exploitation of the Nektar Assets (alone or in combination with other compounds) and/or for inclusion in the safety database for the Nektar Assets, in each case without the consent of, or any obligation to account to, BMS and (ii) to conduct studies with Samples pursuant to Section 11.8. Subject to Section 11.8, the results of all such analyses or uses shall be owned by Nektar, including any intellectual property arising out of same, unless the Parties shall have agreed otherwise in writing. Nektar, its Affiliates and licensees shall be entitled to use the Collaboration Study Data and Independent Study Data during and following the Term to (1) make regulatory filings and seek approvals for the Nektar Assets, either alone or in combination with other Third Party Assets or BMS Assets evaluated in connection with an Collaboration Study or an Independent Study, and (2) to promote products based on, and to disseminate, the applicable Collaboration Study Data or Independent Study Data for the benefit of the Nektar Assets, either alone or as part of a Combined Therapy, where permitted by and in accordance with Applicable Law; *provided that* nothing in the foregoing is intended or shall be construed as granting Nektar any right or license, expressly or impliedly, to make, have made, use, sell, offer for sale, or import the BMS Compound other than as expressly set forth in this Agreement.

(d)Biomarker/Diagnostic Agent Development. Each Party may use and disclose to a Third Party the Collaboration Study Data and its Single Agent Compound's Study Data, under obligations of confidentiality consistent with this Agreement, to Develop and Commercialize a biomarker or diagnostic test for use with its Single Agent Compound and/or the Combined Therapy, and, unless otherwise mutually agreed by the Parties in writing, will own any intellectual property arising out of the work funded or conducted by it with or through such Third Party. The Parties will discuss in good faith any opportunities to jointly participate in the Development of any such biomarker or diagnostic test for use with the Nektar Compound.

(e)No Other Uses. All other uses of Study Data are limited solely to those permitted by this Agreement, and neither Party may use Study Data for any other purpose without the written consent of the other Party during and after the Term of this Agreement.

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

10.7Access to Study Data. Subject to the provisions of Sections 4.2(a)(x), 4.2(b)(vi), 4.2(c)(vi) and 10.8 and the Pharmacovigilance Agreement, each Party shall have access to all Study Data (including de-identified patient records) as soon as reasonably practicable after such Study Data is reasonably available to or generated by the Party responsible for generating or collecting such Study Data.

10.8Adverse Event Reporting. Subject to the terms of this Agreement, within [***], or as soon as practicable after the Effective Date, as agreed to by the Parties and prior to dosing the first study patient in any new Clinical Trial subject to this Agreement, the Parties (under the guidance of their respective pharmacovigilance departments, or equivalent thereof) shall use diligent efforts to define and finalize the responsibilities the Parties shall employ to protect patients and promote their well-being in connection with the use of the Nektar Assets and BMS Assets in the framework of this Agreement, and to execute one or more written pharmacovigilance agreements (each, a "***Pharmacovigilance Agreement***"). Such Pharmacovigilance Agreement shall include mutually acceptable guidelines and procedures for the receipt, investigation, recordation, communication, and exchange (as between the Parties) of adverse event reports, pregnancy reports, and any other information concerning the safety of the Nektar Assets and BMS Assets. Such guidelines and procedures shall be in accordance with, and enable the Parties and their Affiliates to fulfill, local and international regulatory reporting obligations to government authorities. Furthermore, such agreed procedures shall be consistent with relevant International Council for Harmonization (ICH) guidelines, except where said guidelines may conflict with existing local regulatory safety reporting requirements or Applicable Law, in which case local reporting requirements or Applicable Law shall prevail. Until such guidelines and procedures are set forth in the Pharmacovigilance Agreement, the Party responsible for pharmacovigilance prior to the Effective Date shall have sole pharmacovigilance responsibility for the Party's Single Agent Compound subject to all applicable regulations and guidelines. To the extent any provision set forth in the Pharmacovigilance Agreement conflicts with any provision in this Agreement, the provision set forth in the Pharmacovigilance Agreement shall control as related to the exchange and reporting of safety information associated with use of the Nektar Asset and BMS Assets pursuant to this Agreement as well as product safety surveillance. The Pharmacovigilance Agreement can be amended from time to time. In the event that this Agreement is terminated, the Parties agree to implement the necessary procedures and practices to ensure that any outstanding pharmacovigilance reporting obligations are fulfilled.

ARTICLE 11

INTELLECTUAL PROPERTY

11.1Nektar Grants.

(a)Development License. Subject to the terms and conditions of this Agreement, Nektar hereby grants, and shall cause its Affiliates to grant, to BMS (and BMS hereby

accepts) a non-exclusive, worldwide, non-transferable (except as provided in Section 17.12), royalty-free license (with the right to sublicense solely pursuant to the terms of and subject to the limitations of Section 11.3) under (i) the Nektar Asset Patent Rights, (ii) Nektar Background Patent Rights, (iii) Nektar Technology, and (iv) Nektar Regulatory Documentation, in each case in respect of clauses (i)-(iv), solely to use, Develop and have Developed the Nektar Compounds and Products, other Nektar Assets that Nektar makes available to BMS in accordance with this Agreement, in Monotherapies (but only Nektar Compounds and Products) and Combined Therapies, in the Field in the Territory, in each case solely to the extent necessary to discharge BMS's obligations under this Agreement and exercise its rights with respect to the Development of the Nektar Compound and the Product (including the conduct of the Collaboration Studies, Independent Studies and the activities described in Section 3.9).

(b)Commercialization License. Subject to the terms and conditions of this Agreement, Nektar hereby grants, and shall cause its Affiliates to grant, to BMS (and BMS hereby accepts) a co-exclusive (with Nektar), worldwide, non-transferable (except as provided in Section 17.12), royalty-free (with the right to sublicense solely pursuant to the terms of and subject to the limitations of Section 11.3) license under Nektar Asset Patent Rights, Nektar Background Patent Rights, Nektar Technology, and Nektar Regulatory Documentation, in each case in respect of the foregoing, solely:

(i)to Commercialize (but not to sell, offer for sale, have sold, or offer to have sold) the Nektar Compounds and Products, in Monotherapies and Combined Therapies, in the Field and in the Territory; and

(ii)from and after the date and to the extent that Nektar is not (by itself or through an Affiliate, or through a Third Party acting as an agent of or on Nektar's behalf) selling or offering for sale any Nektar Compound or Products (whether by operation of law or because Nektar has notified the JCC that it has elected not to sell or offer to sell) to Commercialize (including to sell, offer for sale, have sold, or offer to have sold) the Nektar Compounds and Products, in Monotherapies (but only Nektar Compounds and Products) and Combined Therapies, in the Field and in the Territory.

(c)Manufacturing License. Subject to the terms and conditions of this Agreement and solely if BMS exercises the Manufacturing Option, Nektar hereby grants, and shall cause its Affiliates to grant, to BMS (and BMS hereby accepts) a co-exclusive (with Nektar), worldwide, non-transferable (except as provided in Section 17.12), royalty-free license (with the right to sublicense solely pursuant to the terms of and subject to the limitations of Section 11.3) under the Nektar Asset Patent Rights, Nektar Background Patent Rights, Nektar Manufacturing Know-How, Nektar Manufacturing Process, Nektar Technology, and Nektar Regulatory Documentation to make, have made and otherwise Manufacture NKTR-214, solely for use in Collaboration Studies or Independent Studies (by either Party), GLP toxicology studies, activities permitted by Section 3.9, and for Commercialization of the Nektar Compound or Product in Monotherapies and Combined Therapies in the Field and in the Territory.

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11.2BMS Grants.

(a)Development License. Subject to the terms and conditions of this Agreement, BMS hereby grants, and shall cause its Affiliates to grant, to Nektar (and Nektar hereby accepts) a non-exclusive, worldwide, non-transferable (except as provided in Section 17.12), royalty-free license (with the right to sublicense solely pursuant to the terms of and subject to the limitations of Section 11.3) under (i) BMS Asset Patent Rights, (ii) BMS Background Patent Rights, (iii) BMS Technology, and (iv) BMS Regulatory Documentation, in each case in respect of clauses (i)-(iv), solely to use, Develop and have Developed BMS Assets in combination with Nektar Assets and/or Nektar Compounds and Product (as part of a Combined Therapy), whether with or without Third Party Assets, in the Field in the Territory, in each case solely to the extent necessary to discharge Nektar's obligations and exercise its rights under this Agreement with respect to the conduct of the Collaboration Studies, Independent Studies and the activities described in Section 3.9.

(b)Commercialization License. Subject to the terms and conditions of this Agreement, BMS hereby grants, and shall cause its Affiliates to grant, to Nektar (and Nektar hereby accepts) a non-exclusive, worldwide, non-transferable (except as provided in Section 17.12), royalty-free (with the right to sublicense solely pursuant to the terms of and subject to the limitations of Section 11.3) license under BMS Asset Patent Rights, BMS Background Patent Rights, BMS Technology, and BMS Regulatory Documentation, in each case in respect of the foregoing, solely to Commercialize (but not to do any of the following: obtain pricing or reimbursement approvals; sell; offer for sale; have sold; or offer to have sold) the Nektar Compounds and Products, in Monotherapies (but only Nektar Compounds and Products) and Combined Therapies, in the Field and in the Territory.

11.3Sublicensing.

(a)Development Sublicensing. Subject to Section 11.3(b) and Section 11.3(c), each Party shall have the right to grant sublicenses under the licenses granted to it under Sections 11.1(a) and 11.2(a) to Affiliates, and, if required for a Third Party to perform such Party's duties with respect to the Development of the Nektar Compound and the Product (including the conduct of the Collaboration Studies or Independent Studies (and agreed to by the other Party, such consent not to be unreasonably withheld)), to Third Parties, solely as necessary to assist a Party in carrying out its responsibilities and exercising its rights hereunder. Nektar hereby consents to a sublicense to Ono as set out in Section 11.3(b).

(b)Ono Sublicensing. BMS (or any of its sublicensees) shall have the right to grant to Ono and its Affiliates a sublicense under the license granted to BMS in Section 11.1 solely to the extent necessary or reasonably useful for the Development and Commercialization of the Nektar Compounds, Products (whether alone or as part of a Nektar Combination or a BMS Combination), BMS Assets (to the extent they are part of a BMS Combination) and Nektar Combinations in the Field in the BMS/Ono Territory in accordance with this Agreement.

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(c)With regard to any such sublicenses permitted and made under this Agreement, (i) such sublicensees, except to Affiliates (so long as they remain Affiliates of a Party), shall be subject to written agreements that bind such sublicensees to obligations that are consistent with a Party's obligations under this Agreement, including confidentiality and non-use provisions no less restrictive than those set forth in Sections 10.5 and 10.6 and Article 12, and provisions regarding intellectual property that ensure that the Parties will have the rights, title, and interest provided under this Agreement to any intellectual property created by such sublicensee; (ii) each Party shall provide written notice to the other of any such sublicense and obtain approval for sublicenses to Third Parties, it hereby being understood that Nektar hereby grants approval with respect to Ono; and (iii) the licensing Party shall remain liable for all actions or inactions of its sublicensees.

11.4No Implied Licenses. Except as specifically set forth in this Agreement, neither Party shall acquire any license or other intellectual property interest, by implication or otherwise, in any intellectual property of the other Party, including Confidential Information disclosed to it under this Agreement or under any Patent Rights Controlled by the other Party or its Affiliates.

11.5Inventions.

(a)Nektar Ownership. Subject to the terms of this Agreement, all Nektar Asset Inventions shall be owned solely by Nektar, and Nektar will have the full right to exploit such Nektar Asset Inventions without the consent of, or any obligation to account to, BMS. BMS hereby assigns (and shall cause its Affiliates and contractors to assign) all right, title and interest in any Nektar Asset Inventions to Nektar. The Parties shall execute any documents necessary to accomplish the foregoing assignment, and BMS shall execute such further documents and provide other assistance as may be reasonably requested by Nektar to perfect Nektar's rights in such Nektar Asset Inventions, all at Nektar's expense. Nektar shall have the sole right but not the obligation to prepare, file, prosecute (including any proceedings relating to reissues, reexaminations, protests, interferences, oppositions, post-grant reviews or similar proceedings and requests for patent extensions) and maintain any Nektar Asset Patent Rights or Nektar Background Patent Rights at its own expense.

(b)BMS Ownership. Subject to the terms of this Agreement, all BMS Asset Inventions shall be owned solely by BMS, and BMS will have the full right to exploit such BMS Asset Inventions without the consent of, or any obligation to account to, Nektar. Nektar hereby assigns (and shall cause its Affiliates and contractors to assign) all right, title and interest in any BMS Asset Inventions to BMS. The Parties shall execute any documents necessary to accomplish the foregoing assignment, and Nektar shall execute such further documents and provide other assistance as may be reasonably requested by BMS to perfect BMS's rights in such BMS Asset Inventions, all at BMS's expense. BMS shall have the sole right but not the obligation to prepare, file, prosecute (including any proceedings relating to reissues, reexaminations, protests, interferences, oppositions, post-grant reviews or similar proceedings and requests for patent extensions) and maintain any BMS Asset Patent Rights or BMS Background Patent Rights at its own expense.

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(c)Joint Collaboration Inventions.

(i)Subject to the terms of this Agreement (including Section 7.3(d)), all Joint Collaboration Inventions shall be jointly owned by the Parties, and either Party shall have the right to freely exploit the Joint Collaboration Inventions and Joint Collaboration Patent Rights, both within and outside the scope of this Agreement, without accounting or any other obligation to the other Party (except as expressly set forth in Section 11.5(c)(ii) and Sections 11.5(f) and 11.6(d) with regard to the filing, prosecution, maintenance and enforcement of Joint Collaboration Patent Rights) and each Party may use, and exploit its interest in such Joint Collaborations Inventions and Joint Collaboration Patent Rights as permitted under this Agreement; *provided that* neither Party shall be entitled to grant, without the other Party's prior written consent, any Commercialization (and Manufacturing for Commercialization purposes) licenses to any Third Party under those Joint Collaboration Inventions and Joint Collaboration Patent Rights (except in the case of BMS, to Ono in the manner set forth in Section 11.3(b)). The Parties shall execute any documents necessary to accomplish the foregoing assignment, and each Party shall execute such further documents and provide other assistance as may be reasonably requested by the other Party to perfect such other Party's rights in such Joint Collaboration Inventions, at the requesting Party's expense. To be clear, nothing in this Section 11.5(c) is granting any ownership or license rights with respect to underlying Nektar Assets or BMS Assets (as the case may be).

(ii)Any consideration received by a Party (including any Affiliate) from any sublicensee of the Joint Collaboration Inventions and Joint Collaboration Patent Rights for the sale, license, disposition or other transfer of the applicable Party's right, title and interest in and to such Joint Collaboration Inventions or Joint Collaboration Patent Rights shall be shared by the Parties in accordance with their respective economic interest.

(d)Joint Third Party Inventions.

(i)Subject to the terms of this Agreement (including Section 7.3(d)), all Joint Third Party Inventions shall be jointly owned by the Parties and the Third Party in the applicable Independent Study, but solely if such Third Party is an inventor party, and either Party shall have the right to freely exploit the Joint Third Party Inventions and Joint Third Party Patent Rights, both within and outside the scope of this Agreement, without accounting or any other obligation to the other Party (except as expressly set forth in Section 11.5(d)(ii) and Sections 11.5(f) and 11.6(d) with regard to the filing, prosecution, maintenance and enforcement of Joint Third Party Patent Rights) and each Party may use, exploit its interest in such Joint Third Party Inventions and Joint Third Party Patent Rights as permitted under this Agreement; *provided that* neither Party shall be entitled to grant, without the other Party's prior written consent, any Commercialization (and Manufacturing for Commercialization purposes) licenses to any Third Party under those Joint Collaboration Inventions and Joint Collaboration Patent Rights (except in the case of BMS, to Ono in the manner set forth in Section 11.3(b)). The Parties shall execute any documents

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necessary to accomplish the foregoing assignment, and each Party shall execute such further documents and provide other assistance as may be reasonably requested by the other Party to perfect such other Party's rights in such Joint Collaboration Inventions, at the requesting Party's expense. To be clear, nothing in this Section 11.5(d) is granting any ownership or license rights with respect to underlying Nektar Assets, BMS Assets or Third Party Assets (as the case may be) to any of the Parties or the applicable Third Party.

(ii)Any consideration received by a Party (including any Affiliate) from any sublicensee of the Joint Collaboration Inventions and Joint Collaboration Patent Rights for the sale, license, disposition or other transfer of the applicable Party's right, title and interest in and to such Joint Collaboration Inventions or Joint Collaboration Patent Rights shall be shared by the Parties in accordance with their respective economic interest.

(e)Involvement of Third Parties.

(i)*For Profit Entities*. Neither Party shall, in relation to any Collaboration Study or Independent Study, enter into any agreement with any for-profit Third Party that does not provide for, or in any way prevents, the ownership of Nektar Asset Inventions, BMS Asset Inventions, Joint Collaboration Inventions, or Joint Third Party Inventions as set forth in Sections 11.5(a), 11.5(b), 11.5(c) and 11.5(d) respectively.

(ii)*Not For Profit Entities*. Neither Party shall, in relation to any Independent Study, enter into any agreement with any not-for-profit Third Party (including academic institutions) that either (A) does not provide for, or in any way prevents, the ownership of BMS Asset Inventions as set forth in Section 11.5(b), Nektar Asset Inventions as set forth in Section 11.5(a), the Joint Collaboration Inventions as set forth in Section 11.5(c), Joint Third Party Inventions as set forth in Section 11.5(d), as applicable, or (B) does not at least provide the other Party with a non-exclusive, perpetual, irrevocable, worldwide, fully paid-up, royalty-free, sublicensable and transferable (sub)license to the applicable BMS Inventions, Nektar Inventions, Joint Collaboration Inventions, Joint Third Party Inventions, as applicable.

(f)Prosecution of Joint Collaboration Inventions. The Parties, using outside patent counsel acceptable to both Parties, shall be responsible for preparing and prosecuting the Joint Collaboration Patent Rights. Each Party shall keep the other Party advised as to material developments and all steps to be taken with respect to any such Joint Collaboration Patent Rights and shall furnish the other Party with copies of applications for such Patent Rights, amendments thereto and other related correspondence to and from patent offices, and shall permit the other Party a reasonable opportunity to review and offer comments. The Parties shall reasonably assist and cooperate with one another in obtaining, prosecuting and maintaining the Joint Collaboration Patent Rights. Notwithstanding the foregoing, neither Party shall take any position in a submission to a patent office that interprets the scope of any Patent Rights of BMS without the prior consent of BMS or any Patent Rights of Nektar without the prior written consent of Nektar. Nektar and BMS shall be reimbursed for any out of pocket costs and Third Party costs and expenses incurred

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in preparing and prosecuting the Joint Collaboration Patent Rights and the subsequent maintenance of the Joint Collaboration Patent Rights such that [***]. Nektar will report all such costs and expenses in accordance with Section 9.7.

(i)Abandonment of Patent Rights. In the event that a Party determines either (A) not to continue the prosecution or maintenance of a Patent Right within the Joint Collaboration Patent Rights or (B) not to file any new patent application requested to be filed by the other Party, in each case other than to optimize overall patent protection of claimed inventions, the applicable Party shall provide the other Party with notice of its decision at least [***] prior to any pending lapse or abandonment thereof. In such event, the applicable Party shall provide the other Party with an opportunity to assume responsibility for all costs associated with the filing or further prosecution and maintenance of such Patent Rights (such filing to occur prior to the issuance of the Patent Rights to which the application claims priority or expiration of the applicable filing deadline, as set forth above). Such Patent Rights shall otherwise continue to be subject to all of the terms and conditions of this Agreement in the same manner and to the same extent as the other Patent Rights within the Joint Collaboration Patent Rights.

(ii)Failure to Reimburse. If a Party elects not to reimburse the other Party for the costs of prosecution and maintenance of a Patent Right within the Joint Collaboration Patent Rights in a given country as set forth in this Section 11.5(f), the non-reimbursed Party shall have the right to file or maintain such Patent Right in such country in its own name and at its own expense, with the prior written consent of the other Party (which shall not be unreasonably withheld) and the other Party does hereby assign its rights to the joint invention in said country to the non-reimbursed Party if the non-reimbursed Party wishes to file or maintain said Patent Right, and each Party shall execute such further documents and provide other assistance as may be reasonably requested by the other Party to perfect such other Party's rights in the applicable Patent Rights, at the requesting Party's expense. After giving effect to such assignment, such assigned invention and any corresponding Joint Collaboration Patent Rights thereto shall be the treated as a Nektar Background Patent Rights or BMS Background Patent Rights, as applicable. The Party who does not wish to file or maintain a Patent Right within the Joint Collaboration Patent Rights in any country shall assist in the timely provision of all documents required under national provisions to register said assignment of rights with the corresponding national authorities at the sole expense of the Party who wished to file or maintain such Patent Right in that given country.

(g)Prosecution of Joint Third Party Inventions. The Parties shall, using outside patent counsel acceptable to both Parties and the applicable Third Party (if such Third party is an inventor in respect of such Joint Third Party Invention), be responsible for preparing and prosecuting and maintaining Patent Rights related to Joint Third Party Inventions, in accordance with the terms and conditions of Section 11.5(f), provided that Nektar and BMS bear any out of pocket costs and expenses incurred in preparing and prosecuting the applicable Joint Third Party Patent Rights pursuant to this Section 11.5(g) and the subsequent maintenance of the applicable

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Joint Third Party Patent Rights that are not borne by the applicable Third Party joint owner such that [***].

(h)Separation of Patent Rights. In order to more efficiently enable the prosecution and maintenance of the BMS Asset Patent Rights, Nektar Asset Patent Rights, Joint Collaboration Patent Rights and Joint Third Party Patent Rights relating to Nektar Asset Inventions, BMS Asset Inventions, Joint Collaboration Inventions and Joint Third Party Inventions as described above, the Parties will use good faith efforts to separate BMS Asset Patent Rights, Nektar Asset Patent Rights, Joint Collaboration Patent Rights and Joint Third Party Patent Rights) into separate patent filings to the extent possible and without adversely impacting such prosecution and maintenance.

(i)Disclosure and Assignment of Joint Collaboration Inventions and Joint Third Party Inventions. Each Party shall disclose promptly to the other Party in writing and on a confidential basis all Joint Collaboration Inventions and Joint Third Party Inventions prior to any public disclosure or filing of Patent Rights and allowing sufficient time for comment by the other Party. In addition, each Party does hereby assign, and shall cause its Affiliates and contractors to so assign, to the other Party, without additional compensation, such right, title and interest in and to any Joint Collaboration Inventions or Joint Third Party Inventions as well as any intellectual property rights with respect thereto, as is necessary to fully effect, as applicable, the sole ownership provided for in Sections 11.5(a) and 11.5(b) and the joint ownership provided for in Sections 11.5(c) and 11.5(d).

11.6Infringement of Patent Rights by Third Parties.

(a)Notice. Each Party shall promptly notify the other Party in writing of any alleged or threatened (in writing) infringement, or misappropriation by a Third Party, of the BMS Background Patent Rights, BMS Asset Patent Rights, Nektar Background Patent Rights, Nektar Asset Patent Rights, Joint Collaboration Patent Rights or Joint Third Party Patent Rights of which its in-house patent counsel becomes aware (such infringement, "***Infringement***," and "***Infringe***" shall be interpreted accordingly).

(b)Infringement of Patent Rights of Nektar.

(i)With respect to Infringement of Nektar Asset Patent Rights or Nektar Background Patent Rights anywhere in the world, in each case to the extent that it relates to any Nektar Asset (other than a Nektar Compound or Product, and not in combination with a Nektar Compound or Product), Nektar shall have the exclusive right to prosecute such Infringement as it may determine in its sole and absolute discretion, and Nektar shall bear all related expenses and retain all related recoveries. BMS shall reasonably cooperate with Nektar or its designee (to the extent BMS has relevant information arising out of this Agreement), at Nektar's request and expense, in any such action.

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(ii)Notwithstanding any right of enforcement (including subsidiary rights or step-in rights) of any Nektar Asset Patent Rights or Nektar Background Patent Rights that [***]. With respect to Infringement of Nektar Asset Patent Rights or Nektar Background Patent Rights anywhere in the world, in each case to the extent that it relates to any Nektar Compound or Product (whether as Monotherapy or as part of a Combined Therapy), [***]. If either Party recovers monetary damages from any Third Party in an action approved by the Parties and brought under this Section 11.6(b)(ii), such recovery shall be allocated first to the reimbursement of any actual, unreimbursed costs and expenses incurred by the Parties in such litigation (including, for this purpose, a reasonable allocation of expenses of internal counsel), then [***], and any remaining amounts shall be split [***], unless the Parties agree in writing to a different allocation and provided that [***]. In connection with any proceeding under this Section 11.6(b)(ii), [***]. In the event that Nektar elects not to prosecute an Infringement under this Section 11.6(b)(ii), Nektar shall inform BMS [***]; *provided however*, that Nektar has the ultimate right, at its sole discretion, to determine whether or not an Infringement may be prosecuted.

(c)Infringement of Patent Rights of BMS. With respect to Infringement of BMS Asset Patent Rights or BMS Background Patent Rights anywhere in the world, BMS shall have the exclusive right to prosecute such Infringement as it may determine in its sole and absolute discretion, and BMS shall bear all related expenses and retain all related recoveries. Nektar shall reasonably cooperate with BMS or its designee (to the extent Nektar has relevant information arising out of this Agreement), at BMS's request and expense, in any such action.

(d)Infringement of Joint Collaboration Patent Rights.

(i)With respect to Infringement of Joint Collaboration Patent Rights, [***].

(ii)Regardless of which Party brings an enforcement action pursuant to Section 11.6(d)(i), the other Party hereby agrees to cooperate reasonably in any such action, including, if required, by bringing a legal action. [***]. If either Party recovers monetary damages from any Third Party in an action approved by the Parties and brought under this Section 11.6(d)(ii), such recovery shall be allocated [***], unless the Parties agree in writing to a different allocation. In connection with any proceeding under this Section 11.6(d), neither Party shall enter into any settlement without the prior written consent of the other Party.

(e)Infringement of Joint Third Party Patent Rights. Section 11.6(d) shall apply *mutatis mutandis* to the enforcement of Joint Third Party Patent Rights, subject to the agreed cost and recoveries sharing with any Third Party co-owner, if applicable.

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11.7Infringement of Third Party Rights.

(a)Notice. If the activities relating to the Development or Commercialization of the Nektar Compound or Product become the subject of a claim of infringement of a patent, copyright or other proprietary right by a Third Party anywhere in the world, the Party first having notice of the claim shall promptly notify the other Party and, without regard to which Party is charged with said infringement and the venue of such claim, the Parties shall promptly confer to discuss the claim.

(b)Defense. If both Parties are charged with infringement pursuant to a claim described in Section 11.7(a), [***], unless they agree otherwise. If only one Party is charged with infringement, such Party will have the first right but not the obligation to defend such claim. If the charged Party does not commence actions to defend such claim [***]. In any event, the non-defending Party shall reasonably cooperate with the Party conducting the defense of the claim and shall have the right to participate with separate counsel at its own expense, and the defending Party shall consider comments by the non-defending Party in good faith. The Party defending the claim shall bear the cost and expenses of the defense of any such Third Party infringement claim and shall have sole rights to any recovery. If the Parties jointly defend the claim, and [***]; *provided, however*, that, notwithstanding the foregoing, [***]. If either Party recovers monetary damages or costs from any Third Party while jointly defending the claim, such recovery shall be allocated [***], unless the Parties agree in writing to a different allocation. Neither Party shall enter into any settlement concerning activities under this Agreement or the Monotherapy or Combined Therapy that affects the other Party's rights under this Agreement or imposes any obligations on the other Party, including any admissions of wrongdoing on behalf of the other Party, without such other Party's prior written consent, not to be unreasonably withheld or delayed, except that a Party may settle any claim that solely relates to its Single Agent Compound (other than a Nektar Compound) without the consent of the other Party as long as such other Party's rights under this Agreement are not adversely impacted (in which case, it will obtain such other Party's prior written consent, not to be unreasonably withheld or delayed).

11.8Samples. Samples collected in the course of activities conducted under a Collaboration Study shall be jointly owned by the Parties (to the extent not owned by the patient and/or the clinical trial site). Any such Samples shall be collected in accordance with the applicable Protocol and ICFs. Neither Party shall be permitted to use such Samples for any purpose without the prior written consent of the other Party, which consent shall not be unreasonably withheld if such use is directed to the Monotherapy or Combined Therapy and with the terms of such use to be set forth in a written agreement between the Parties setting forth the Samples to be used, and any appropriate terms/restrictions on such use. Any data and intellectual property arising out of such Sample use shall be owned by the Lead Party conducting such study using the same; *provided that* to the extent that any such data or intellectual property relates solely to the Combined Therapy (or biomarkers solely for use with the Combined Therapy), such data or intellectual property shall be considered Collaboration Study Data or Joint Collaboration Inventions/Joint Collaboration Patent Rights, as the case may be. Samples for PK and ADA serum analysis will be stored for future use in the Lead Party's sample repository, at its own expense;

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provided that if the Party holding the Samples determines that it no longer has a use for the Samples and the other Party determines that it does, then the Samples shall, subject to Applicable Law and the terms of the signed ICFs, be transferred to the other Party and may be used solely thereafter by the other Party. If neither Party has any further use for the Samples, then the remaining Samples will be destroyed pursuant to the respective Party's standard operating procedures for sample retention and destruction, subject to the terms of and permission(s) granted in the ICFs by the subjects contributing the Samples in the Collaboration Studies. All Development Costs for collecting, testing and storing the Samples will be split between the Parties in accordance with Section 9.7, except as otherwise noted in this Section 11.8.

ARTICLE 12

CONFIDENTIALITY

12.1Nondisclosure and Nonuse of Confidential Information.

(a)Except to the extent expressly authorized in this Section 12.1 and Sections 12.2, 12.3 and 12.5 below, or as otherwise agreed in writing by the Parties, each Party agrees that, for the Term and for a period of [***] thereafter, it shall: (i) keep confidential and shall not publish or otherwise disclose and shall not use for any purpose other than as expressly provided for in this Agreement any Confidential Information owned by the other Party; (ii) treat the other Party's Confidential Information with the same degree of care the receiving Party uses for its own confidential information but in no event with less than a reasonable degree of care; and (iii) reproduce the disclosing Party's Confidential Information solely to the extent necessary to accomplish the receiving Party's obligations under this Agreement, with all such reproductions being considered the disclosing Party's Confidential Information; *provided*, that with respect to BMS Confidential Information that BMS received as confidential information from Ono and has identified as such to Nektar, the obligations of confidentiality and non-use shall continue for the longer of the period set forth above or five (5) years after the termination of the Ono-BMS Agreements.

(b)For purposes of this Agreement, regardless of which Party discloses such Confidential Information to the other, (i) all Nektar Asset Inventions, Nektar Technology and Nektar Regulatory Documentation shall be Confidential Information of Nektar, and BMS shall be deemed the receiving Party; (ii) all BMS Asset Inventions, BMS Technology and BMS Regulatory Documentation shall be Confidential Information of BMS, and Nektar shall be deemed the receiving Party; (iii) inventions from Independent Studies (other than as noted in clause (iv)) shall be the Confidential Information of the Party(ies) owning such Study Data or inventions; and (iv) all Joint Collaboration Inventions, Collaboration Study Data, Joint Third Party Invention, Independent Study Data and Collaboration Study Regulatory Documentation shall be Confidential Information of each Party.

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(c)Notwithstanding anything to the contrary in this Section 12.1, the receiving Party may disclose the disclosing Party's Confidential Information to its employees, consultants, agents or permitted sublicensees solely on a need-to-know basis for the purpose of fulfilling the receiving Party's obligations under this Agreement; *provided*, *however*, that (i) any such employees, consultants, agents or permitted sublicensees are bound by obligations of confidentiality at least as restrictive as those set forth in this Agreement, and (ii) the receiving Party remains liable for the compliance of such employees, consultants, agents or permitted sublicensees with such obligations. Each receiving Party acknowledges that in connection with its and such representatives' examination of the Confidential Information of the disclosing Party, the receiving Party and such representatives may have access to material, non-public information, and that the receiving Party is aware, and will advise such representatives that State and Federal laws, including United States securities laws, impose restrictions on the dissemination of such information and trading in securities when in possession of such information. Each receiving Party agrees that it will not, and will advise its representatives who are informed as to the matters that are the subject of this Agreement to not, purchase or sell any security of the disclosing Party on the basis of the Confidential Information to the extent such Confidential Information constitutes material non-public information about the disclosing Party or such security.

12.2 Exceptions. The obligations in Section 12.1 shall not apply with respect to any portion of Confidential Information that the receiving Party can demonstrate by contemporaneous tangible records or other competent proof:

(a)was already known to the receiving Party (or its Affiliates), other than under an obligation of confidentiality, either (i) at the time of disclosure by the disclosing Party, or (ii) if applicable, at the time that it was generated hereunder, whichever ((i) or (ii)) is earlier;

(b)was generally available to the public or otherwise part of the public domain either (i) at the time of its disclosure to the receiving Party, or (ii) if applicable, at the time that it was generated hereunder, whichever ((i) or (ii)) is earlier;

(c)became generally available to the public or otherwise part of the public domain after its disclosure and other than through any act or omission of the receiving Party in breach of this Agreement;

(d)was disclosed to the receiving Party (or its Affiliates), other than under an obligation of confidentiality, by a Third Party who had no obligation to the Party owning or Controlling the information not to disclose such information to others; or

(e)was independently discovered or developed by the receiving Party (or its Affiliates) without the use of or reference to the Confidential Information belonging to the disclosing Party.

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12.3 Authorized Disclosure. Notwithstanding any other provision of this Agreement, each Party may disclose and use Confidential Information solely owned by the other Party to the extent such disclosure or use is reasonably necessary in the following instances:

(a)filing or prosecuting Patent Rights;

(b)prosecuting or defending litigation, except that a Party may not use or disclose the other Party's Confidential Information to challenge the validity or enforceability of such other Party's Patent Rights;

(c)complying with Applicable Law or the rules or regulations of any securities exchange on which such Party's stock is listed;

(d)disclosure, in connection with the performance of this Agreement, to Affiliates, permitted sublicensees, contractors, ethics committees and institutional review boards (collectively, "***IRBs***"), CROs, academic institutions, consultants, agents, investigators, and employees and contractors engaged by study sites and investigators involved with the Collaboration Studies and Independent Studies, each of whom, prior to disclosure, must be bound by similar terms of confidentiality and non-use at least equivalent in scope to those set forth in this Article 12;

(e)disclosure that is deemed reasonably necessary by either Party to be disclosed to its respective Affiliates, agents, consultants or actual or prospective licensees (or other bona fide collaborators) in furtherance of the Development, Manufacture or Commercialization of such Party's compound or assets, as applicable, on the condition that such Third Parties agree to be bound by confidentiality and non-use obligations that are at least equivalent in scope to those set forth in this Article 12;

(f)disclosure to its attorneys, accountants, auditors and other advisors on a need to know basis provided such individuals or Persons are bound to confidentiality and nondisclosure requirements by professional rules of conduct or nondisclosure agreements, and to actual or prospective acquirers, lenders, financers, or investors as may be necessary to comply with the terms, or in connection with their evaluation, of such potential or actual acquisition, loan, financing, or investment; on the condition that such acquires, lenders, financers, or investors agree to be bound by confidentiality and non-use obligations that are that are at least equivalent in scope to those set forth in this Article 12;

(g)disclosure of the Collaboration Study Data, Joint Collaboration Inventions, Joint Third Party Inventions, Joint Collaboration Patent Rights, Joint Third Party Patent Rights to Regulatory Authorities in connection with the Development of any Combined Therapy, any of the Nektar Assets or any of the BMS Assets; and

(h)disclosure of relevant safety information contained within Collaboration Study Data to investigators, IRBs or ethics committees and Regulatory Authorities that are

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involved in other Clinical Trials of the Nektar Assets with respect to Nektar, and BMS Assets with respect to BMS, and (in the event of a Material Safety Issue) to Third Parties that are collaborating with Nektar or BMS, respectively in the conduct of such other clinical trials of the Nektar Assets or the BMS Assets, in each case solely to the extent necessary for the conduct of such clinical trials or to comply with Applicable Law and regulatory requirements; and

(i)exercising its rights and performing its obligations under the Investment Agreements.

Notwithstanding the foregoing, if a Party is required or otherwise intends to make a disclosure of the other Party's Confidential Information or any of the terms and conditions of this Agreement pursuant to Section 12.3(b) or Section 12.3(c), it shall (x) give reasonable advance notice to such other Party of such impending disclosure in order to allow such other Party to review and comment of the proposed disclosure and (y) endeavor in good faith to secure confidential treatment of such Confidential Information or reasonably assist the Party that owns such Confidential Information in seeking a protective order or other confidential treatment. Without limiting the generality of the foregoing, the Parties shall use Commercially Reasonable Efforts to agree on the contents of any redacted version of this Agreement to be filed with any securities exchange on which a Party's stock is listed.

12.4 Disclosure to Ono. Notwithstanding any other provision of this Agreement, Nektar hereby expressly authorizes BMS to disclose to Ono, but only insofar as the BMS Compound is involved, (a) the existence and the terms of this Agreement, Collaboration Studies and Protocols; and (b) any other Nektar Confidential Information, BMS Study Data, Collaboration Study Data and Independent Study Data, in each case solely to the extent necessary for BMS to fulfill its obligations to Ono under the Ono-BMS Agreements; *provided that* Ono is under confidentiality obligations at least as restrictive as those set forth herein. For clarity, all disclosures of this Agreement (including to Ono prior to the Effective Date) shall be subject to the Mutual Confidentiality Agreement, by and between the Parties dated December 13, 2012, as amended.

12.5Press Releases and Publications.

(a)Subject to this Section 12.5, the Parties shall jointly agree to the content and timing of all external communications with respect to this Agreement (including an initial press release, the content of which shall be as attached hereto as Schedule 12.5, subsequent press releases, Q&As and the content and wording of any listing for any Collaboration Study required to be listed on a public database or other public registry (such as www.clinicaltrials.gov)). For clarity, if either Party terminates or suspends a Collaboration Study pursuant to Section 16.4, the Parties shall mutually agree upon any external communication related to such termination or suspension, which shall not include the rationale for such termination or suspension unless (and to the extent) mutually agreed by the Parties. Neither Party shall use in advertising, publicity or otherwise the name or any trademark of the other Party without the prior written consent of the other Party. Notwithstanding any provision of this Agreement to the contrary and subject to Section 12.3, each Party shall be permitted to publicly disclose information that such Party

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determines in good faith is necessary to be disclosed to comply with Applicable Law or the rules or regulations of any securities exchange on which such Party's stock may be listed, or pursuant to an order of a court or governmental entity.

(b)Nektar and BMS agree to collaborate to publicly disclose, publish or present (i) top-line results from each Collaboration Study, limited if possible to avoid jeopardizing the future publication of the Study Data at a scientific conference or in a scientific journal, solely for the purpose of disclosing, as soon as reasonably practicable, the safety or efficacy results and conclusions that are material to either Party under applicable securities laws, and (ii) the conclusions and outcomes (the "***Results***") of each Collaboration Study at a scientific conference as soon as reasonably practicable following the completion of such Collaboration Study, subject in the case of (ii) to the following terms and conditions. The Party proposing to disclose, publish or present the Results shall deliver to the other Party a copy of (A) any abstract or press release at least [***] before submission to a Third Party and (B) any proposed slide presentation, publication, poster presentation or any other disclosure, publication or presentation at least [***] before submission to a Third Party. The reviewing Party shall determine whether any of its Confidential Information that may be contained in such disclosure, publication or presentation should be modified or deleted, whether to file a patent application on any Nektar Asset Invention (solely with respect to Nektar) or BMS Asset Invention (solely with respect to BMS), Joint Collaboration Invention or Joint Third Party Invention disclosed therein. If practicable, the disclosure, publication or presentation shall be delayed for an additional [***] if the reviewing Party reasonably requests such extension to allow time for the preparation and filing of relevant patent applications. If the reviewing Party reasonably requests modifications to the disclosure, publication or presentation to prevent the disclosure of a material trade secret or proprietary business information, the publishing Party shall edit such publication to prevent the disclosure of such information prior to submission of the disclosure, publication or presentation. In the event of a disagreement as to content, timing and/or venue or forum for any disclosure, publication or presentation of the Results, such dispute (a "***Publication Dispute***") shall be referred to the JEC; *provided that*, in the absence of agreement after such good faith discussions, and upon expiration of the additional [***]-period (to the extent provided pursuant to the above), (*1*) academic collaborators engaged by Nektar in connection with the performance of the Collaboration Studies may publish Collaboration Study Data obtained by such academic collaborator solely to the extent that such ability to publish such Collaboration Study Data is set forth in an agreement between Nektar and such academic collaborator relating to the conduct of Collaboration Studies and (*2*) the publishing Party may proceed with the disclosure, publication or presentation provided that such disclosure, publication or presentation is consistent with its internal publication guidelines and customary industry practices for the publication of similar data. Authorship of any publication shall be determined based on the accepted standards used in peer-reviewed academic journals at the time of the proposed disclosure, publication or presentation. The Parties agree that they shall make reasonable efforts to prevent publication of a press release that could jeopardize the future publication of Study Data at a scientific conference or in a scientific journal but in no way will this or any other provision of this Agreement supersede the requirements of any Applicable Law or the rules or regulations of any securities exchange or listing entity on which a Party's stock is listed

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(including any such rule or regulation that may require a Party to make public disclosures about interim or ongoing results of a Collaboration Study). Notwithstanding the foregoing, Nektar hereby authorizes disclosure to Ono in accordance with Section 12.4 above. Notwithstanding the foregoing, nothing herein shall prevent or restrict Ono from making any disclosures of published Study Data disclosed to it by BMS pursuant to Section 12.4 or of the existence of this Agreement, in each case in order for Ono to comply with requirements of Applicable Law, the rules or regulations of any securities exchange or listing entity on which its stock may be traded or pursuant to an order of a court or governmental entity to publicly disclose the existence of the Agreement and the Study Data.

12.6Compliance with Sunshine Laws.

(a)For purposes of compliance with reporting obligations under Sunshine Laws, Nektar represents that it is not, as of the Effective Date, subject to reporting obligations under the Sunshine Laws. Therefore, as between the Parties, BMS will report payments or other transfers of value ("***POTV***") made by Nektar or the CRO related to the conduct of the Collaboration Studies and any applicable associated contractor engagements as required under the Sunshine Laws, for each Collaboration Study initiated prior to such date that Nektar becomes responsible for reporting POTV for studies sponsored by it. BMS shall request delayed publication for any reported POTV for the studies sponsored by Nektar as permitted under the Sunshine Laws and if consistent with BMS's normal business practices. In the event Nektar becomes responsible for reporting POTV for studies sponsored by it in a given country during the Term, Nektar shall provide written notification to BMS, and the Parties will meet and confer to discuss how they wish to handle reporting thereafter. Interpretation of the Sunshine Laws for purposes of reporting any POTV by a Party shall be in such Party's sole discretion so long as the interpretation complies with Applicable Law.

(b)Nektar (i) will provide (to the extent in the possession of Nektar), or will utilize Commercially Reasonable Efforts to obligate and ensure that each CRO and other applicable Third Party contractors for each Collaboration Study for which Nektar is the Lead Party provides, BMS with any information requested by BMS as BMS may reasonably determine is necessary for BMS to comply with its reporting obligations under Sunshine Laws (with such amounts paid to, or at the direction of, each Recipient to be reported to BMS within a reasonable time period specified by BMS and agreed by Nektar) and (ii) will reasonably cooperate with, and will utilize Commercially Reasonable Efforts to obligate and ensure that each CRO and other applicable Third Party contractors for each Collaboration Study for which Nektar is the Lead Party reasonably cooperate with, BMS in connection with its compliance with such Sunshine Laws. The form in which Nektar provides any such information shall be mutually agreed but sufficient to enable BMS to comply with its reporting obligations and BMS may disclose any information that it believes is necessary to comply with Sunshine Laws. Without limiting the foregoing, BMS shall have the right to allocate payments or other transfers of value in connection with this Agreement in any required reporting under Sunshine Laws in accordance with its normal business practices. These obligations shall survive the expiration and termination of the agreement to the extent necessary for BMS to comply with Sunshine Laws.

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(c)For purposes of this Section 12.6, "***Sunshine Laws***" means Applicable Laws requiring collection, reporting and disclosure of POTVs to certain healthcare providers, entities and individuals. These Applicable Laws may include relevant provisions of the Patient Protection and Affordable Health Care Act of 2010 and implementing regulations thereunder. "***Recipients***" means healthcare providers, teaching hospitals or any other Persons for whom transfers of value or payments must be reported under Sunshine Laws.

12.7Response Plan and Notification of Non-Authorized Disclosures. Each Party shall have a response plan in place for any disclosure of Confidential Information that is not authorized or otherwise permitted under this Agreement. Such plan shall include considerations of, among other things, notification, remediation and retrieval. In the event that a Party becomes aware of an unauthorized disclosure of the other Party's Confidential Information, then such Party shall notify the other Party promptly in writing.

12.8Destruction of Confidential Information. Upon expiration or termination of this Agreement, the receiving Party shall, upon request by the other Party, immediately destroy or return all of the other Party's Confidential Information relating solely to such other Party's compound or other assets as monotherapy (but not to the Combined Therapy or the Collaboration Study Data) in its possession; *provided*, *however*, that the receiving Party shall be entitled to retain one (1) copy of Confidential Information solely for record-keeping purposes and shall not be required to destroy any off-site computer files created during automatic system back up which are subsequently stored securely by the receiving Party.

ARTICLE 13

REPRESENTATIONS, WARRANTIES AND COVENANTS

13.1Authority and Binding Agreement. Nektar and BMS each represents and warrants to the other that: (a) it is a company or corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated; (b) it has the corporate power and authority and the legal right to enter into this Agreement and perform its obligations hereunder; (c) it has taken all necessary corporate action on its part required to authorize the execution and delivery of the Agreement and the performance of its obligations hereunder; and (d) the Agreement has been duly executed and delivered on behalf of such Party and constitutes a legal, valid and binding obligation of such Party that is enforceable against it in accordance with its terms subject to bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium and similar laws of general application affecting the enforcement of creditors' rights generally, and subject to general equitable principles, including the fact that the availability of equitable remedies, such as injunctive relief or specific performance, is in the discretion of the court.

13.2No Conflicts. Nektar and BMS each represents and warrants that, to the best of its knowledge as of the Execution Date, it has not (a) entered into any agreement with any Third Party

that is in conflict with the rights granted to the other Party under this Agreement, including initiating a Clinical Trial under a Collaboration Therapy or (b) taken any action that would in any way prevent it from granting the rights granted to the other Party under this Agreement or that would otherwise materially conflict with or materially adversely affect the rights granted to the other Party under this Agreement, including initiating a Clinical Trial under a Collaboration Therapy.

13.3Litigation. Nektar and BMS each represents and warrants that, to the best of its knowledge as of the Execution Date, it is not aware of any pending or threatened litigation (and has not received any communication) that alleges that its activities related to this Agreement have violated, or that by conducting the activities as contemplated in this Agreement it would infringe, misappropriate or violate any of the intellectual property or intellectual property rights of any other Person (after giving effect to the license grants in this Agreement).

13.4No Adverse Proceedings. Except as otherwise notified to the other Party, there is no pending or, to the knowledge of such Party as of the Execution Date, threatened, against such Party, any claim, suit, action or governmental proceeding that would, if adversely determined, materially impair the ability of such Party to perform its obligations under this Agreement.

13.5Consents. Nektar and BMS each represents and warrants that, to its knowledge, all necessary consents, approvals and authorizations of all Regulatory Authorities and other Persons (a) required to be obtained by such Party in connection with the execution and delivery of this Agreement have been obtained (or will have been obtained prior to such execution and delivery) and (b) required to be obtained by such Party in connection with the performance of its obligations under this Agreement have been obtained or will be obtained prior to such performance.

13.6No Debarment. Each Party hereby certifies to the other that it has not used, and will not use the services of any person disqualified, debarred, banned, subject to debarment or convicted of a crime for which a person could be debarred by the FDA under 21 U.S.C. §335a, as amended (or subject to a similar sanction of any other Regulatory Authority), in any capacity in connection with any of the services or work provided under any Collaboration Study and that this certification may be relied upon in any applications to the FDA or any other Regulatory Authority. It is understood and agreed that this certification imposes a continuing obligation upon each Party to notify the other promptly of any change in the truth of this certification. Upon request by a Party, the other Party agrees to provide a list of persons used to perform the services or work provided under any activities conducted for or on behalf of such Party or any of its Affiliates pursuant to this Agreement who, within the five (5) years preceding the Execution Date, or subsequent to the Execution Date, were or are convicted of one of the criminal offenses required by 21 U.S.C. §335a, as amended, to be listed in any application for approval of an abbreviated application for drug approval.

13.7Compliance with Applicable Law. Nektar and BMS each represents and warrants that it shall comply with all Applicable Laws of the country or other jurisdiction, or any court or

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agency thereof, applicable to the performance of its activities hereunder or any obligation or transaction hereunder, including those pertaining to the production and handling of drug products and reporting of information, such as those set forth by the Regulatory Authorities, as applicable, and the applicable terms of this Agreement, in the performance of its obligations hereunder.

13.8Compliance with Party Specific Regulations. The Parties agree to cooperate with each other as may reasonably be required to ensure that each is able to fully meet its obligations with respect to the Party Specific Regulations applicable to it. Neither Party shall be obligated to pursue any course of conduct that would result in such Party being in material breach of any Party Specific Regulation applicable to it. All Party Specific Regulations are binding only in accordance with their terms and only upon the Party to which they relate. "***Party Specific Regulations***" shall mean all judgments, decrees, orders or similar decisions issued by any governmental authority specific to a Party, and all consent decrees, corporate integrity agreements or other agreements or undertakings of any kind by a Party with any governmental authority, in each case as the same may be in effect from time to time and applicable to a Party's activities contemplated by this Agreement.

13.9Compliance with Internal Compliance Codes. All Internal Compliance Codes shall apply only to the Party to which they relate. The Parties agree to reasonably cooperate with each other to ensure that each Party is able to comply with the substance of its respective Internal Compliance Codes and, to the extent practicable, to operate in a manner consist with its usual compliance-related processes. For purposes of this Section 13.9, "***Internal Compliance Codes***" shall mean a Party's internal policies and procedures intended to ensure that a Party complies with Applicable Laws, Party Specific Regulations, and such Party's internal ethical, medical and similar standards.

13.10Affiliates. Nektar and BMS each represents and warrants that, to the extent the intellectual property, Regulatory Documentation or Technology licensed by it hereunder are Controlled by its Affiliates or a Third Party, it has the right to use, and has the right to grant (sub)licenses to the other Party to use, such intellectual property, Regulatory Documentation or Technology in accordance with the terms of this Agreement and subject to any restrictions expressly disclosed in writing to the other Party.

13.11Ethical Business Practices. Nektar and BMS each represents and warrants that neither it nor its Affiliates will make any payment, either directly or indirectly, of money or other assets, including the compensation such Party derives from this Agreement (collectively a "***Payment***"), to government or political party officials, officials of International Public Organizations, candidates for public office, or representatives of other businesses or Persons acting on behalf of any of the foregoing (collectively "***Officials***") where such Payment would constitute violation of any Applicable Law, including the Foreign Corrupt Practices Act of 1977, 15 U.S.C. §§ 78dd-1, et seq. In addition, regardless of legality, neither it nor its Affiliates will make any Payment either directly or indirectly to Officials if such Payment is for the purpose of improperly influencing decisions or actions with respect to the subject matter of this Agreement. All activities

under this Agreement will be conducted in compliance with the U.S. False Claims Act and the U.S. Anti-Kickback Statute.

13.12Single Agent Compound Safety Issues. Each Party represents and warrants that, to the best of its knowledge, it is not aware of any material safety or toxicity issue with respect to its Single Agent Compound that are not reflected in the investigator's brochure for its Single Agent Compound existing as of the Effective Date.

13.13Single Agent Compound Information. Each Party represents and warrants that it has made available to the other Party all toxicology studies, clinical data, manufacturing process data, material filings and material correspondence with Regulatory Authorities, and all other material information in its possession or control relating to its Single Agent Compound, and, to the knowledge of each Party, all such information is complete and accurate in all material respects.

13.14Accounting. Each Party represents and warrants that all transactions under the Agreement shall be properly and accurately recorded in all material respects on its books and records and that each document upon which entries in such books and records are based is complete and accurate in all material respects.

13.15 Compliance with Ono-BMS Agreements. BMS represents and warrants it will comply with its obligations under the Ono-BMS Agreements (and not to voluntarily terminate same) to the extent necessary for each Collaboration Study or Independent Study to be completed in accordance with the terms of this Agreement and for Nektar to receive the rights and benefits provided to it under this Agreement.

13.16Nektar Representations and Warranties. Nektar represents and warrants to BMS as of the Execution Date, that:

(a)there are no liens, charges or encumbrances on the Nektar Background Patent Rights owned by Nektar that would prevent or limit BMS's exercise of its rights under the licenses granted to BMS under Section 11.1;

(b)Nektar is the owner of the Patent Rights describing the composition of matter, method of manufacture or method of use of any Nektar Compound, and has made available to BMS complete and accurate copies of such Patent Rights;

(c)none of the Nektar Background Patent Rights for the composition of matter, method of manufacture or method of use of any Nektar Compound is Controlled by Nektar pursuant to any in-license agreement;

(d)there are no judgments or settlements against or owed by Nektar or any of its Affiliates and there are no pending claims or litigation relating to the Nektar Compounds; and Nektar and its Affiliates have not received written notice of any threatened claims or litigation

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seeking to invalidate or alleging the invalidity of any Patent Rights describing the composition of matter, method of manufacture or method of use of any Nektar Compound;

(e)none of the rights of Nektar or its Affiliates describing the composition of matter, method of manufacture or method of use of any Nektar Compound owned by Nektar or such Affiliate were developed with federal funding from the United States government or any other governmental authority such that the United States government or other governmental authority has any march-in rights in or to any such Patent Rights or such that Nektar or its Affiliates would be subject to any compulsory licensing requirements or any rights under 35 U.S.C. §§ 201-212;

(f)Nektar has not received any written notice of and is not under a Clinical Hold with respect to the Nektar Compound;

(g)Nektar has made available to BMS complete and accurate copies of all INDs and all other material documentation submitted to any Regulatory Authority with respect to the Nektar Compound and Nektar has filed with the FDA all required notices, supplemental applications and annual or other reports or documents, including adverse experience reports, with respect to each IND which, in each instance, are material to the continued Development of the Nektar Compound;

(h)to its knowledge, the conception, development and reduction to practice of any Nektar Technology material to the Development of the Nektar Compound has not constituted or involved the misappropriation of any trade secrets or other rights or property of any Person;

(i)without limiting the generality of Section 13.2, the agreement [***] does not conflict with the rights granted to BMS under this Agreement; and

(j)[***].

13.17BMS Representations and Warranties. BMS represents and warrants to Nektar as of the Execution Date, that:

(a)there are no liens, charges or encumbrances on the BMS Background Patent Rights owned by BMS or any of its Affiliates that would prevent or limit Nektar's exercise of its rights under the licenses granted to Nektar under Section 11.2;

(b)BMS is the owner or licensee of the BMS Background Patent Rights that are necessary or reasonably useful for the conduct of the Initial Trials;

(c)there are no judgments or settlements against or owed by BMS or any of its Affiliates and there are no pending claims or litigation relating to the BMS Compounds; and BMS and its Affiliates have not received written notice of any threatened claims or litigation seeking to invalidate or alleging the invalidity of any Patent Rights describing the composition of matter,

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method of manufacture or method of use of any BMS Compound, in each case to an extent that would materially impair the ability of BMS to perform its obligations under this Agreement;

(d)BMS has not received any written notice of and is not under a Clinical Hold with respect to the BMS Compound;

(e)BMS has filed with the FDA all required notices, supplemental applications and annual or other reports or documents, including adverse experience reports, with respect to each IND which, in each instance, are material to the continued Development of the BMS Compound; and

(f)to its knowledge, the conception, development and reduction to practice of any BMS Technology material to the Development of the BMS Compound has not constituted or involved the misappropriation of any trade secrets or other rights or property of any Person to an extent that would materially adversely impact the conduct of the Initial Trials that rely on such BMS Technology.

13.18Representations and Warranties of the Parties as of the Effective Date. Each Party's representations and warranties in this Article 13, without regard to materiality qualifiers contained within such representations and warranties, shall be true and complete in all respects as of the Effective Date, except for any failure of such representations and warranties to be true and correct that would not reasonably be expected to have a Material Adverse Effect (as defined in the SPA).

13.19DISCLAIMER OF WARRANTY. NEITHER PARTY MAKES OR HAS MADE ANY REPRESENTATIONS OR WARRANTIES NOT EXPRESSLY SET FORTH IN THIS AGREEMENT. NEKTAR AND BMS ARE NOT RELYING ON, AND EACH HEREBY DISCLAIMS, ALL REPRESENTATIONS AND WARRANTIES NOT EXPRESSLY CONTAINED HEREIN (WHETHER EXPRESS OR IMPLIED), INCLUDING WITH RESPECT TO EACH OF THEIR RESEARCH, DEVELOPMENT AND COMMERCIALIZATION EFFORTS HEREUNDER, WHETHER THE PRODUCTS CAN BE SUCCESSFULLY DEVELOPED OR MARKETED, THE ACCURACY, PERFORMANCE, UTILITY, RELIABILITY, TECHNOLOGICAL OR COMMERCIAL VALUE, COMPREHENSIVENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WHATSOEVER OF THE PRODUCTS, OR THE NON-INFRINGEMENT OR MISAPPROPRIATION OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS.

ARTICLE 14

INDEMNIFICATION

14.1BMS Indemnification. BMS hereby agrees to defend, hold harmless and indemnify (collectively, "***Indemnify***") Nektar, its Affiliates, and its and their agents, directors, officers, and employees (the "***Nektar Indemnitees***") from and against any and all liabilities,

expenses and/or losses, including reasonable cost of investigations, experts, legal expenses and attorneys' fees (collectively "***Losses***") resulting from Third Party suits, claims, actions and demands (each, a "***Third Party Claim***") to the extent that they arise or result from: [***].

14.2Nektar Indemnification. Nektar hereby agrees to Indemnify BMS, its Affiliates, and its and their agents, directors, officers, and employees (the "***BMS Indemnitees***") from and against any and all Losses resulting from Third Party Claims to the extent that they arise or result from: [***].

14.3[***].

14.4Indemnification Procedure. Each Party's agreement to Indemnify the other Party is conditioned on the performance of the following by the Party seeking indemnification: (a) providing written notice to the Indemnifying Party of any Loss of the types set forth in Sections 14.1 and 14.2 within ninety (90) calendar days after the Party seeking indemnification has knowledge of such Loss; *provided that*, any delay in complying with the requirements of this clause (a) will only limit the Indemnifying Party's obligation to the extent of the prejudice caused to the Indemnifying Party by such delay; (b) permitting the Indemnifying Party to assume full responsibility (but without any reservation of rights or recovery against the Indemnified Party) to investigate, prepare for and defend against any such Loss; (c) providing reasonable assistance to the Indemnifying Party, at the Indemnifying Party's expense, in the investigation of, preparation for and defense of any Loss; and (d) not compromising or settling such Loss without the Indemnifying Party's written consent, such consent not to be unreasonably withheld or delayed.

14.5Separate Defense of Claims. In the event that the Parties cannot agree as to the application of Sections 14.1, 14.2 or 14.3 to any particular Loss, the Parties may conduct separate defenses of such Loss. Each Party further reserves the right to claim indemnity from the other in accordance with Sections 14.1, 14.2 or 14.3 upon resolution of the underlying claim, notwithstanding clause (b) of Section 14.3.

14.6Insurance. Each Party shall maintain commercially reasonable levels of insurance or other adequate and commercially reasonable forms of protection or self-insurance to satisfy its indemnification obligations under this Agreement. Each Party shall provide the other Party with written notice at least [***] prior to the cancellation, non-renewal or material change in such insurance or self-insurance that would materially adversely affect the rights of the other Party hereunder. The maintenance of any insurance shall not constitute any limit or restriction on damages available to a Party under this Agreement.

14.7LIMITATION OF LIABILITY. NEITHER PARTY NOR ITS AFFILIATES SHALL BE LIABLE TO THE OTHER PARTY FOR INDIRECT, INCIDENTAL, OR SPECIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS (OTHER THAN WITH RESPECT TO PAYMENT OF NET PROFIT SHARES), ARISING FROM OR RELATING TO THIS AGREEMENT AND/OR SUCH PARTY'S PERFORMANCE HEREUNDER, REGARDLESS OF ANY NOTICE OF THE POSSIBILITY OF SUCH DAMAGES AND

REGARDLESS OF THE CAUSE OF ACTION (WHETHER IN CONTRACT, TORT, BREACH OF WARRANTY OR OTHERWISE). NOTHING IN THIS SECTION 14.7 IS INTENDED TO LIMIT OR RESTRICT THE INDEMNIFICATION RIGHTS OR OBLIGATIONS OF A PARTY UNDER SECTIONS 14.1 OR 14.2, OR DAMAGES AVAILABLE FOR BREACHES OF PAYMENT OBLIGATIONS IN ARTICLE 9, CONFIDENTIALITY OBLIGATIONS IN ARTICLE 12 OR FOR A PARTY'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR WILLFUL BREACH OF SECTION 7.3(D) OR SECTION 7.3(E).

ARTICLE 15

DISPUTE RESOLUTION

15.1Dispute Resolution.

(a)In the event of any dispute, controversy or claim arising out of, relating to or in connection with any provision of this Agreement (each a "***Dispute***"), other than a JDC Dispute, JCC Dispute, JFC Dispute or JMC Dispute or a Publication Dispute or a dispute as to whether a Material Safety Issue exists, the Parties shall refer such Dispute promptly to the Alliance Managers for resolution. If the Alliance Managers are unable to resolve such Dispute within ten (10) calendar days after a matter has been presented to them, then upon the request of either Party by written notice, the Parties shall refer such Dispute to the JEC. This Agreement shall remain in effect during the pendency of any such dispute. In the event that no resolution is made by them in good faith negotiations within [***] after such referral to them, such unresolved Dispute shall be referred to the Executive Officers or their respective designee for attempted resolution by good faith negotiations within [***] after such referral is made. In the event such officers are unable to resolve such Dispute within such [***] period then, if such Dispute constitutes an Arbitration Matter, such Dispute shall be resolved through arbitration in accordance with Sections 15.2 or 15.3; *provided*, *however*, that with respect to any such Dispute that relates to a matter described in Section 17.5, either Party shall have the right to seek an injunction or other equitable relief without waiting for the expiration of such [***] negotiation period, and with respect to any JDC Dispute, JCC Dispute, JMC Dispute, JFC Dispute or Publication Dispute, the specific dispute resolution processes contained in Sections 3.7, 5.2(b), 8.5, 9.6(c) or 12.5(b), as applicable, also will apply.

(b)In the event of a Dispute, a Party shall have no right to toll or delay any payment or other obligation in this Agreement unrelated to the Dispute as a result of the Dispute.

15.2Commercial & Financial Disputes.

(a)If, after completing the review process by the Executive Officers described in Section 15.1, the Parties do not fully settle a Commercial/Financial Dispute, and a Party wishes to pursue the matter, each such Commercial/Financial Dispute will be resolved exclusively in the manner set forth in this Section 15.2. The Parties will endeavor for up to [***]to agree upon a single individual to serve as a Commercial/Financial Dispute Arbitrator. As used in this Agreement, the "***Commercial/Financial Dispute Arbitrator***" shall be [***]. If the Parties cannot

mutually agree on the Commercial/Financial Dispute Arbitrator within such [***], then [***] to serve as the Commercial/Financial Dispute Arbitrator. The process for selecting a Commercial/Financial Dispute Arbitrator shall be completed in no more than [***]. Once selected, the Commercial/Financial Dispute Arbitrator shall render a final binding decision on the Commercial/Financial Dispute [***] (or such other time as the Parties may mutually agree in writing) of the appointment of said arbitrator as set forth in this Section 15.2.

(b)The process for resolving the Commercial/Financial Dispute shall be conducted in accordance with the American Arbitration Association Arbitration Rules and shall be held, on an alternating basis, per arbitrated Commercial/Financial Dispute, between San Francisco, CA and New York, NY (unless the Parties otherwise mutually agree to telephone or video conference, or a different location). The language of the arbitration shall be English. Within [***] following selection of the Commercial/Financial Dispute Arbitrator, the Parties each shall provide a memorandum to the Commercial/Financial Dispute Arbitrator describing the Commercial/Financial Dispute, the background and supporting factual materials in support of such Party's proposed outcome, and a proposed ruling that decides the outcome of the Commercial/Financial Dispute for issuance by the Commercial/Financial Dispute Arbitrator, if adopted (a "***Ruling***"). If a Party fails to timely submit a memorandum and proposed Ruling, the Commercial/Financial Dispute Arbitrator shall interpret such failure as the Party having accepted the proposed Ruling of the other Party, and shall adopt such other Party's Ruling as the decision of the Commercial/Financial Dispute Arbitrator.

(c)The Commercial/Financial Dispute Arbitrator shall determine what discovery, if any, shall be permitted based on the memoranda submitted by the Parties, consistent with the goal of limiting the cost and time which the Parties must expend for discovery; provided the Commercial/Financial Dispute Arbitrator shall permit such discovery as he or she deems necessary to permit an equitable resolution of the dispute. The Commercial/Financial Dispute Arbitrator further is entitled to engage experts and other consultants to assist him or her in rendering a decision regarding the Commercial/Financial Dispute. Such experts or consultants shall not have any voting power and shall be independent under the same standard as applies to the Commercial/Financial Dispute Arbitrator. The costs of resolving the Commercial /Financial Dispute, including administrative and arbitrator's fees, shall be shared [***].

(d)At the conclusion of discovery (if any) and review, the Commercial/Financial Dispute Arbitrator shall adopt one of the proposed Rulings submitted by the Parties as the decision of the Commercial/Financial Dispute Arbitrator in respect of the Commercial/Financial Dispute. The Commercial/Financial Dispute Arbitrator must select for his or her decision one of the Parties' Rulings, and is not entitled to change such Ruling or issue an alternative award. The Parties agree that the Ruling issued by the Commercial/Financial Dispute Arbitrator decision shall be the sole, exclusive and binding remedy between them regarding the Commercial/Financial Dispute. Any award may be entered in a court of competent jurisdiction for a judicial recognition of the decision and an order of enforcement.

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Arbitration Matters. If a Dispute that constitutes an Arbitration Matter remains unresolved after escalation to the senior executives as described above, either Party may refer the matter to arbitration as described herein, the results of which shall be binding upon the Parties

. Any arbitration under this Agreement shall be conducted under the auspices of the American Arbitration Association ("***AAA***") by a panel of three (3) arbitrators pursuant to that organization's Commercial Arbitration Rules then in effect. The fees and expenses of the arbitrators shall be [***]. Each Party shall bear the fees and expenses of its legal representation in the arbitration. The arbitral tribunal shall not reallocate either the fees and expenses of the arbitrators or of the Parties' legal representation. The arbitration shall be held in New York, NY, USA, which shall be the seat of the arbitration. The language of the arbitration shall be English. Notwithstanding anything to the contrary in this Agreement, each Party shall be entitled to recover its attorneys' fees and arbitration fees and expenses to the extent it is successful in bringing an action to enforce its rights to indemnification under this Agreement against the other Party.

ARTICLE 16

TERM AND TERMINATION

16.1Term. This Agreement shall commence on the Effective Date, and unless earlier terminated pursuant to this Article 16 or any other termination right expressly stated in this Agreement, shall expire: (a) with respect to the Parties' obligation to collaborate in the Development of Nektar Compounds and Products, upon the expiration of the last to expire Patent Right that Covers a Nektar Compound; and (b) for all other matters, upon the expiration of all payment obligations set forth in Article 9 (the "***Term***").

16.2Termination for Material Breach.

(a)Notice and Cure Period. If a Party (the "***Breaching Party***") is in material breach, the other Party (the "***Non-Breaching Party***") shall have the right to give the Breaching Party notice specifying the nature of such material breach. The Breaching Party shall have a period of [***] after receipt of such notice to cure such material breach (the "***Cure Period***") in a manner reasonably acceptable to the Non-Breaching Party. For the avoidance of doubt, this provision is not intended to restrict in any way either Party's right to notify the other Party of any other breach or to demand the cure of any other breach. The Parties agree that for purposes of this Section 16.2, a breach of the representations or warranties of a Party under this Agreement shall not be a cause for termination of this Agreement unless such breach has had or would be reasonably expected to have a material adverse effect on the Development, Manufacture or Commercialization of the Product.

(b)Termination Right. The Non-Breaching Party shall have the right to terminate this Agreement (either in its entirety or only in part) as further described below, upon written notice, in the event that the Breaching Party has not cured such material breach within the Cure Period, *provided*, *however*, that if such breach is capable of cure but cannot reasonably be cured within the Cure Period, and the Breaching Party notifies the non-Breaching Party of its intent

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to cure such material breach, commences actions to cure such material breach within the Cure Period and thereafter diligently continues such actions, the Breaching Party shall have an additional [***] to cure such breach. If a Party contests such termination pursuant to the dispute resolution procedures under Section 15.1, such termination shall not be effective until a conclusion of the dispute resolution procedures in Section 15.1, as applicable, resulting in a determination that there has been a material breach that was not cured within the Cure Period (or, if earlier, abandonment of the dispute by such Party). For clarity, such material breach of this Agreement may apply to (i) this Agreement in its entirety, in which case the termination right pursuant to this Section 16.2(b), and Section 16.6 (as applicable), shall apply to the entire Agreement; (ii) a specific Product or Single Agent Compound in which case the termination right pursuant to this Section 16.2(b), and Section 16.6 (as applicable), shall apply only to such affected Product or Single Agent Compound; or (iii) a specific Region or country within a Region, in which case the termination right pursuant to this Section 16.2(b), and Section 16.6 (as applicable), shall apply only to such affected Region as a whole. As used in this Section 16.2, "***Region***" shall mean each of the following groups of countries: [***].

16.3Termination for Bankruptcy. Either Party will have the right to terminate this Agreement in the event of a general assignment for the benefit of creditors of the other Party, or if proceedings of a case are commenced in any court of competent jurisdiction by or against such other Party seeking (a) such other Party's reorganization, liquidation, dissolution, arrangement or winding up, or the composition or readjustment of its debts, (b) the appointment of a receiver or trustee for or over such other Party's property, or (c) similar relief in respect of such other Party under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debt and, in each case of clauses (a) through (c) such proceedings shall continue un-dismissed, or an order with respect to the foregoing shall be entered and continue unabated, for a period of more than [***].

16.4Termination or Suspension of Collaboration Study due to Material Safety Issue or Clinical Hold.

(a)Either Party shall have the right to suspend or terminate the applicable Collaboration Study immediately upon written notice if it reasonably deems it necessary to protect the safety, health or welfare of subjects enrolled in any Collaboration Study due to the existence of a Material Safety Issue. In the event of a termination of a Collaboration Study due to a Material Safety Issue, prior to the terminating Party providing written notice, each Party's safety committee shall, to the extent practicable, meet and discuss in good faith the safety concerns raised by the terminating Party and consider in good faith the input, questions and advice of the non-terminating Party, but should any dispute arise in such discussion, the dispute resolution process set forth in Section 3.7 or Article 15 shall not apply to such dispute and the terminating Party shall have the right to issue such notice and such termination shall take effect without the Parties first following the procedures set forth in Section 3.7 or Article 15.

(b)If a Clinical Hold with respect to any of the BMS Assets, Nektar Assets or Third Party Assets used in a Collaboration Study should arise at any time after the Effective Date,

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the Parties will meet and discuss the basis for the Clinical Hold, how long the Clinical Hold is expected to last and how they might address the issue that caused the Clinical Hold. If, after [***] of discussions following the Clinical Hold, either Party reasonably concludes that the issue is not solvable or that unacceptable and material additional costs or delays have been or will continue to be incurred in the conduct of the applicable Collaboration Study, then such Party may immediately suspend or terminate the applicable Collaboration Study.

16.5BMS Right to Terminate without Cause.

(a)BMS shall have the right to terminate this Agreement in its entirety (but not in part) without cause at any time after the completion, discontinuation or cancellation of all of the Initial Trials in accordance with this Agreement in the event that no Regulatory Approval is obtained on the basis of the results of any of the Initial Trials, subject to a six (6) month prior notice to Nektar.

(b)Provided that all of the Initial Trials have been completed, discontinued or cancelled in accordance with this Agreement, BMS shall have the right to terminate this Agreement in its entirety (but not in part) without cause at any time after the first (1st) anniversary of the First Commercial Sale of the first Product, subject to a twelve (12) month prior notice to Nektar after such First Commercial Sale.

(c)In the event of a Change of Control of Nektar, BMS shall have the right to terminate this Agreement in its entirety (but not in part) without cause at any time after the First Commercial Sale of the first Product, subject to a six (6) month prior notice to the Nektar Successor after such First Commercial Sale.

(d)At Nektar's request after the effective date of the termination of this Agreement pursuant to this Section 16.5, BMS will provide Nektar, free of charge, with the BMS Compound, ipilimumab and any other BMS Asset owned by BMS (subject to any Third Party limitations or obligations, including as may be further limited following a Change of Control pursuant to Section 17.12(b)) for which a BLA has been Filed or for which a BLA Regulatory Approval has been provided, for use in Clinical Trials of a Combined Therapy of a combination of Nektar Assets with such BMS Assets (whether or not also with any Third Party Assets), pursuant to one or more clinical collaboration agreements to be entered into by Nektar and BMS. Nektar's right to request quantities of such BMS Assets pursuant to this Section 16.5 will terminate on the [***] of the effective date of the termination of this Agreement pursuant to this Section 16.5.

16.6Effect of Termination.

(a)Termination for Any Reason. Upon any termination under this Article 16 (for the avoidance of any doubt in the case of a termination with respect to one or more particular Products, compounds or assets the following provisions shall only apply to such particular Products, compounds or assets being terminated and, therefore, shall have no application or effect

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on any of the other Products, compounds, assets or country(ies) not being terminated), the provisions of this Section 16.6 shall apply:

(i)Accrued Obligations. Expiration or termination of this Agreement for any reason shall not release either Party from any obligation or liability which, at the time of such expiration or termination, has already accrued to the other Party or which is attributable to a period prior to such expiration or termination. If applicable, upon termination of this Agreement, the Parties shall remain responsible pursuant to the terms of this Agreement for any expenses that are associated with terminating any ongoing Clinical Trial work or resulting from such ongoing activities under this Agreement solely to the extent such activities are deemed reasonably necessary by the JDC based on reasonable medical judgment to protect the health of subjects participating in any Collaboration Study or Independent Study.

(ii)Shared Profits. Upon the effective date of the termination of this Agreement, BMS shall not share any additional global Commercialization profits with respect to any Product after the effective date of the termination of this Agreement.

(iii)Non-Exclusive Remedy. Notwithstanding anything herein to the contrary, expiration or termination of this Agreement by a Party shall be without prejudice to other remedies such Party may have at law or equity.

(iv)Regulatory Filings and Data. BMS shall transfer, and shall cause each of its Affiliates and sublicensees to transfer, to Nektar any and all regulatory filings and Regulatory Documentation (other than INDs and related data, the obligations with respect to which are set forth in Section 16.6(b)(ii)), directly related to any Nektar Compound or Product, and upon Nektar's request, shall make available to Nektar any other relevant information and documentation reasonably related to such regulatory filings and Regulatory Documentation (including non-clinical, preclinical and clinical data that are held by or reasonably available to BMS, its Affiliates or sublicensees), but without any obligation to transfer BMS Regulatory Documentation. BMS shall take such actions an execute such other instruments, assignments and documents as may be necessary to effect the transfer of rights under such regulatory filings and Regulatory Documentation to Nektar. If Applicable Law prevents or delays the transfer of ownership of any such regulatory filings or Regulatory Documentation to Nektar, BMS hereby grants to Nektar an irrevocable right of access and Right of Cross Reference to such regulatory filings and Regulatory Documentation for the Products, and shall cooperate fully to make the benefits of such regulatory filings and Regulatory Documentation available to Nektar or its designee.

(v)Domain Names. Upon the effective date of the termination of this Agreement, BMS hereby assigns and shall cause to be assigned to Nektar all Internet domain names incorporating the applicable Product Marks or any variation or part of such Product Mark(s) as its URL address or any part of such address, for domains outside the

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United States. It is understood that such assignment shall not include the name of BMS or any of its Affiliates, nor the corporate logo, service mark, or trademark for BMS or for any of its Affiliates as a corporate entity or any BMS Asset.

(vi)Wind-Down. The Parties shall use reasonable efforts to wind down activities under this Agreement in a reasonable manner and avoid incurring any additional expenditures or non-cancellable obligations; *provided that*, in the case of termination, the applicable Lead Party may continue to dose subjects enrolled in any then On-Going Collaboration Study through completion of the applicable Protocol if dosing is in due regard for patient safety or required by the applicable Regulatory Authority(ies) or Applicable Law(s). The Development licenses to BMS and Nektar in Sections 11.1(a) and 11.2(a) shall continue, as the case may be, through such Development wind-down activities. Any wind-down activities under this Agreement will include the return to BMS, or destruction, of all BMS Assets provided to Nektar and not consumed or planned to be consumed in any applicable On-Going Collaboration Studies or ongoing Independent Studies, and the return to Nektar, or destruction, of all Nektar Assets provided to BMS and not consumed or planned to be consumed in any applicable On-Going Collaboration Studies or ongoing Independent Studies.

(vii)No Restrictions. Upon the effective date of the termination of this Agreement, neither Party (nor any successor thereto) shall have any further obligations or limitations imposed upon it under Sections 7.3(d) or 7.3(e).

(viii)Post-Termination Product Liability Losses. In the event a Party or any of its Affiliates incurs any Losses described in Section 14.1(e), Section 14.1(f), Section 14.2(d) or Section 14.2(f) after the effective date of the termination of this Agreement and after the final reconciliation of Net Profits under Section 9.5 in accordance with Article 9, which Losses are attributable to sales or other activities under this Agreement, each Party shall be responsible for such Losses (but only to the extent attributable to sales or other activities under this Agreement prior to the effective date of the termination of this Agreement) as set forth in Section 14.3. Each Party will promptly pay the other Party its share of any such Losses after receipt of reasonably detailed supporting documentation evidencing such Losses.

(b)BMS Termination for Convenience; Nektar Termination for Cause. In the event that BMS terminates this Agreement pursuant to Section 16.5, or Nektar terminates this Agreement pursuant to Section 16.2, the provisions of this Section 16.6(b) shall apply in addition to the provisions of Section 16.6(a).

(i)Transition. BMS agrees, and agrees on behalf of its Affiliates, to reasonably cooperate with Nektar and its designee(s) to facilitate a smooth, orderly and prompt transition of the program and activities with respect to Nektar Compounds and Products, including any ongoing Development, Manufacturing and Commercialization of Nektar Compounds or Products, to Nektar or its designee(s), during the wind-down period.

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(ii)On-Going Trials. In the event that any further Collaboration Study (after completion of all the Initial Trials) with respect to Products has been initiated (i.e., first patient dosed) and is on-going as of the effective date of the termination of this Agreement (each, an "***On-Going Collaboration Study***"), BMS shall continue to fund BMS's share of Development Costs with respect to such On-Going Collaboration Study pursuant to Section 6.2 and 6.3. In addition, if there are any On-Going Collaboration Studies or Independent Studies being conducted by or under authority of BMS or its Affiliate at the time of notice of termination, BMS agrees, as Nektar may request, to (A) promptly transition to Nektar or its designee some or all of such On-Going Collaboration Studies or Independent Studies and the activities and INDs related to or supporting such Clinical Trials, (B) continue to conduct such On-Going Collaboration Studies and Independent Studies through their completion after the effective date of such termination, or (C) terminate such On-Going Collaboration Studies and Independent Studies in a manner consistent with Applicable Laws; *provided*, *however*, that neither BMS nor its Affiliate shall be required to continue an On-Going Collaboration Study or Independent Study if a Party (1) reasonably deems there to be a Material Safety Issue for such On-Going Collaboration Study or Independent Study or (2) receives communications from a Regulatory Authority ordering or suggesting the discontinuation of such On-Going Collaboration Study or Independent Study. The license granted to BMS in Section 11.1(a) shall terminate upon the later of (X) the transition to Nektar of all such requested On-Going Collaboration Studies, Independent Studies, activities and INDs; (Y) the completion of all such On-Going Collaboration Studies and Independent Studies; or (Z) such termination of all such On-Going Collaboration Studies and Independent Studies.

(iii)Commercialization Wind-Down. If requested by Nektar, BMS and its Affiliates and sublicensees shall continue to Commercialize (in accordance with this Agreement) Products already commercially launched as of the effective date of the termination (the "***Launched Products***") in each country requested by Nektar within the Territory, in accordance with the terms and conditions of this Agreement and the license grant in Section 11.1(b), for a period requested by Nektar not to exceed [***]. Any Launched Products Commercialized by BMS or its Affiliates or sublicensees during the Agreement Wind-Down Period shall be subject to the applicable payments under Article 9. After the Agreement Wind-Down Period (or the earlier termination thereof by Nektar), (X) the license granted to BMS in Section 11.1(b) shall terminate and (Y) BMS and its Affiliates and sublicensees shall no longer have any rights to Commercialize any Products hereunder. For clarity, nothing in this Section shall limit BMS's rights to Commercialize the BMS Assets to their Labels or as permitted by and in accordance with Applicable Law.

(iv)Manufacturing; Inventory. If BMS exercised the Manufacturing Option and Manufacturers Nektar Compounds and Products prior to the effective date of the termination of this Agreement, then BMS (or its Affiliate) shall continue to Manufacture such Nektar Compound or Product for Nektar, at a price equal to [***], from the date of notice of such termination until such time as Nektar is able, using [***], to

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increase its own Manufacturing or secure an acceptable alternative commercial manufacturing source from which sufficient quantities of such Nektar Compound or Product may be procured and legally sold throughout the Territory, but in any event no longer than [***]. If BMS exercised the Manufacturing Option and has a Third Party Manufacture Nektar Compounds or Products on BMS's or its Affiliate's behalf prior to the effective date of the termination of this Agreement, upon request of Nektar, BMS shall use Commercially Reasonable Efforts to transfer the applicable Manufacturing contract to Nektar on or promptly after the effective date of the termination of this Agreement. Prior to expiration of the Agreement Wind-Down Period, Nektar shall have the right to purchase from BMS, and BMS shall sell to Nektar, if requested by Nektar, all of BMS's and its Affiliate's existing inventory of Nektar Compounds and Products at a price equal to BMS's Fully Burdened Cost to Manufacture any Nektar Compound or Product (taking into account the portion, if any, of such Clinical Manufacturing Costs or Fully Burdened Costs to Manufacture any Nektar Compounds or Products for Commercialization for such inventory previously shared by Nektar under this Agreement). The license granted to BMS in Section 11.1(c) shall terminate upon the later of (X) the end of the eighteen (18) months after the effective date of the termination of this Agreement or (Y) the transfer of the applicable Third Party Manufacturing contract to Nektar.

(v)Loss Carry-Forward. The Parties acknowledge and agree that any outstanding Loss Carry-Forward and Nektar Excess Development Cost as of the effective date of the termination of this Agreement are not liabilities or obligations that have accrued on behalf of Nektar and are only reimbursed to BMS as set forth in Sections 6.4 and 9.4, as applicable, and Nektar shall have no obligation to reimburse or repay BMS for any unrecouped Loss Carry-Forward or Nektar Excess Development Cost outstanding on the effective date of the termination of this Agreement after the final reconciliation of Net Profit under Section 9.5.

(vi)BMS Assets. The licenses granted to Nektar in Section 11.2, and the access to BMS Assets provided pursuant to Section 16.5(d), shall continue. In addition, if there are any Launched Products (whether existing as of the effective date of termination or commercially launched thereafter), [***].

(c)BMS Termination for Cause. In the event that BMS terminates this Agreement pursuant to Section 16.2, the provisions of this Section 16.6(c) shall apply in addition to the provisions of Section 16.6(a).

(i)Transition. BMS agrees, and agrees on behalf of its Affiliates, to reasonably cooperate with Nektar and its designee(s) to facilitate a smooth, orderly and prompt transition of the program and activities with respect to Nektar Compounds and Products, including any ongoing Development, Manufacturing and Commercialization of Nektar Compounds or Products, to Nektar or its designee(s), during the wind-down period; *provided, however* that BMS and its Affiliates shall not be obligated to continue any On-

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Going Collaboration Studies (except as necessary to transfer or wind down pursuant to Section 16.6(c)(ii)).

(ii)On-Going Trials. If there are any On-Going Collaboration Studies being conducted by or under authority of BMS or its Affiliate at the time of notice of termination, BMS agrees, as Nektar may request, to (A) promptly transition to Nektar or its designee some or all of such On-Going Collaboration Studies and the activities and INDs related to or supporting such Clinical Trials or (B) terminate such On-Going Collaboration Studies in a manner consistent with Applicable Laws. The license granted to BMS in Section 11.1(a) shall terminate upon the later of (X) the transition of all such requested On-Going Collaboration Studies, activities and INDs; and (Y) such termination of such On-Going Collaboration Study.

(iii)Commercialization. The license granted to BMS in Section 11.1(b) shall terminate upon the effective date of the termination of this Agreement.

(iv)Manufacturing; Inventory. If BMS exercised the Manufacturing Option and Manufacturers Nektar Compounds and Products prior to the effective date of the termination of this Agreement, then BMS (or its Affiliate) shall continue to Manufacture such Nektar Compound or Product for Nektar, at a price equal to [***], from the date of notice of such termination until such time as Nektar is able, using [***] to do so, to secure an acceptable alternative commercial manufacturing source from which sufficient quantities of such Nektar Compound or Product may be procured and legally sold throughout the Territory, but in any event no longer than [***] after the effective date of the termination of this Agreement. If BMS exercised the Manufacturing Option and has a Third Party Manufacture Nektar Compounds or Products on BMS's or its Affiliate's behalf at the time of termination, upon request of Nektar prior to the effective date of the termination of this Agreement, BMS shall use [***] to transfer the applicable Manufacturing contract to Nektar on or promptly after the effective date of the termination of this Agreement. Prior to expiration of the Agreement Wind-Down Period, Nektar shall have the right to purchase from BMS, and BMS shall sell to Nektar if requested by Nektar, all of BMS's and its Affiliate's existing inventory of Nektar Compounds and Products at a price equal to [***]. The license granted to BMS in Section 11.1(c) shall terminate upon the later of [***].

16.7Survival. The following Articles and Sections of this Agreement and all definitions relating thereto shall survive any expiration or termination of this Agreement for any reason: Article 1 ("*Definitions*"), Section 3.2(e)(iv), Section 3.2(e)(v), Section 6.4 (except in the event that BMS terminates this Agreement pursuant to Section 16.5, or Nektar terminates pursuant to Section 16.2), Section 9.4(a) solely in relation to the reimbursement of any Loss Carry-Forward (except in the event that BMS terminates this Agreement pursuant to Section 16.5, or Nektar terminates pursuant to Section 16.2), Section 9.5 ("*Calculation and Payment of Net Profit/Net Loss Share*") (to the extent necessary to reconcile Net Profits earned during the Term), Section 9.7 ("*Procedures For Development Cost Reporting and Reconciliation: Collaboration Studies and Independent*

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Studies") (to the extent necessary to reconcile Development Costs incurred during the Term or Opt-Out Development Costs), Sections 9.9 through 9.15, Section 10.1 ("*Regulatory Approval*"), Sections 10.3 through 10.7, Section 10.8 (last sentence only), Section 11.4 ("*No Implied Licenses*"), Section 11.5 ("*Inventions*"), Section 11.6 ("*Infringement of Patent Rights by Third Parties*") (solely with respect to Joint Collaboration Patent Rights and Joint Third Party Patent Rights), Section 11.7 ("*Infringement of Third Party Rights*"), Section 11.8 ("*Samples*"), Article 12 ("*Confidentiality*"), Section 13.19 ("*Disclaimer of Warranty*"), Article 14 ("*Indemnification*"), Section 15.2 ("*Commercial & Financial Disputes*"), Section 16.6 ("*Effect of Termination*"), Section 16.7 ("*Survival*") and Article 17 ("*Miscellaneous*"); Sections 6.1, 6.2, 6.3 (for the time period that BMS is performing Development activities pursuant to Section 16.6); Article 4 and Sections 3.4, 3.10, 5.3, 5.4, 7.3(h), 7.3(i), 7.3(j) (as applicable, and solely for the time period that BMS is (a) winding-down Development activities under this Agreement, (b) continuing to conduct On-Going Collaboration Studies and Independent Studies, (c) supplying BMS Assets for such On-Going Collaboration Studies and ongoing Independent Studies, or (d) Manufacturing (or having Manufactured) and supplying Nektar Compounds or Products to Nektar, in each case pursuant to Section 16.6); Sections 8.1, 8.6, 8.7, 8.8, 8.9, 8.10, 8.11, 8.13, 8.14, 8.15 and 8.16 (as applicable, and solely for the Applicable Wind-Down Period, in each case pursuant to Section 16.6(b)(iii)); Sections 9.5 and 9.7 (as applicable, and solely for the time period necessary to reconcile costs and expenses for Commercialization, Development and Manufacturing activities performed pursuant to Section 16.6); as well as any other Sections necessary to give them effect. Furthermore, any other provisions required to interpret the Parties' rights and obligations under this Agreement shall survive to the extent required. Except as otherwise provided in this Article 16, all rights and obligations of the Parties under this Agreement, including any licenses granted hereunder, shall terminate upon termination of this Agreement for any reason.

ARTICLE 17

MISCELLANEOUS

17.1Effective Date.

(a)Other than the provisions of this Section 17.1 and Article 12 (Confidentiality), the rights and obligations of the Parties under this Agreement shall not become effective until: (i) any waiting period (and any extension thereof) applicable to the transactions contemplated by this Agreement and the SPA under HSR (as defined in the SPA) shall have expired or earlier been terminated; (ii) no injunction (whether temporary, preliminary or permanent) prohibiting consummation of the transactions contemplated by this Agreement and the Investment Agreements or any material portion hereof shall be in effect; (iii) no judicial or administrative proceeding opposing consummation of all or any part of this Agreement and the SPA shall be pending; and (iv) achievement of the Closing and receipt by Nektar of the amounts set forth in Section 9.1 (the date all these conditions are satisfied being the "***Effective Date***"). Upon the occurrence of the Effective Date, all provisions of this Agreement and the SPA shall become effective automatically without the need for further action by the Parties.

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(b)If the Effective Date has not occurred within one hundred and eighty (180) calendar days of the Execution Date, this Agreement may be terminated by either Party on written notice to the other Party.

(c)For the period between the Execution Date and the Effective Date, neither Party shall:

(i)enter into any agreement with any Third Party that is in conflict with the rights granted to the other Party under this Agreement, had this Agreement been effective during such period, and shall not take any action that would in any way prevent it from granting the rights granted to the other Party under this Agreement, had this Agreement been effective during such period, or that would otherwise materially conflict with or materially adversely affect the rights granted to the other Party under this Agreement, had this Agreement been effective during such period; nor

(ii)enter, without to the other Party's prior written consent, into any agreement with any Third Party relating to the conduct of a Clinical Trial (excluding any Clinical Trial under the Clinical Trial Agreement) for a Collaboration Therapy, including any Clinical Trials that would be prohibited to be conducted pursuant to Section 7.3(d) had this Agreement become effective on the Execution Date.

17.2 Bankruptcy. All rights and licenses granted under or pursuant to this Agreement are, and will otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101 of the U.S. Bankruptcy Code. Further, the Parties agree (a) the intellectual property rights granted hereunder by each Party are personal to, and non-delegable by, the licensee and (b) that each of them, as licensee of rights and licenses under this Agreement, will retain and may fully exercise all of its rights and elections to the extent permitted under Applicable Laws, including the U.S. Bankruptcy Code.

17.3Entire Agreement. This Agreement, including the Exhibits and Schedules hereto and together with any ancillary agreements required hereunder, sets forth the complete, final and exclusive agreement between the Parties concerning the subject matter hereof and supersedes all prior agreements and understandings between the Parties with respect to such subject matter (including the Clinical Trial Agreement to the extent set forth in Section 2.1(b)). There are no covenants, promises, agreements, warranties, representations, conditions or understandings, either oral or written, between the Parties with respect to such subject matter other than as are set forth in this Agreement. All Exhibits and Schedules attached hereto are incorporated herein as part of this Agreement. In the event of a conflict between the Joint Development Plan or the Commercialization Plan and Budget, on the one hand, and this Agreement, on the other hand, the terms of this Agreement shall govern.

17.4Governing Law. This Agreement and all claims relating to or arising out of this Agreement or the breach thereof shall be governed and construed in accordance with the internal

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laws of the State of New York, USA, excluding any choice of law rules that may direct the application of the laws of another jurisdiction. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

17.5Submission to Jurisdiction. Each Party (a) submits to the jurisdiction of the state and federal courts sitting in New York, New York, with respect to actions or proceedings arising out of or relating to this Agreement in which a Party brings an action in aid of arbitration, (b) agrees that all claims in respect of such action or proceeding may be heard and determined in any such court and (c) agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court, other than an action or proceeding seeking injunctive relief or brought to enforce an arbitration ruling issued pursuant to Article 15. Each Party waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought. Each Party may make service on the other Party by sending or delivering a copy of the process to the Party to be served at the address and in the manner provided for the giving of notices in Section 17.8. Nothing in this Section 17.5, however, shall affect the right of any Party to serve legal process in any other manner permitted by Applicable Law.

17.6Injunctive Relief. Notwithstanding anything herein to the contrary, a Party will be entitled to an injunction or other injunctive relief from any court of competent jurisdiction, without posting bond or other security, in order to prevent immediate and irreparable injury, loss or damage on a provisional basis, which remedy such Party will be entitled to seek in any court of competent jurisdiction. For the avoidance of doubt, if either Party (a) discloses Confidential Information of the other Party other than as permitted under Article 12; (b) uses (in the case of Nektar) the BMS Assets or BMS Technology or (in the case of BMS) the Nektar Compound or Nektar Technology in any manner other than as expressly permitted under this Agreement; or (c) otherwise is in material breach of this Agreement and such material breach could cause immediate harm to the value of the Nektar Compound (by BMS) or the BMS Assets (by Nektar), the other Party shall have the right to an injunction or other equitable relief precluding the other Party from continuing its activities related to the applicable activity without waiting for the conclusion of the dispute resolution procedures under Section 15.1, which remedy such Party will be entitled to seek in any court of competent jurisdiction.

17.7Force Majeure. If either Party is affected by any extraordinary, unexpected and unavoidable event, including acts of God, floods, fires, riots, terrorism, war, accidents, labor disturbances, breakdown of plant or equipment, lack or failure of transportation facilities, unavailability of equipment, sources of supply or labor, raw materials, power or supplies, infectious diseases of animals, or by the reason of any law, order, proclamation, regulation, ordinance, demand or requirement of the relevant government or any sub-division, authority or representative thereof (*provided that* in all such cases the Party claiming relief on account of such event can demonstrate that such event was extraordinary, unexpected and unavoidable by the exercise of reasonable care) ("***Force Majeure***"), it will as soon as reasonably practicable notify the other Party of the nature and extent thereof and take all reasonable steps to overcome the Force Majeure and to minimize the loss occasioned to the other Party. Neither Party will be deemed to be in breach of this Agreement or otherwise be liable to the other Party by reason of any delay in

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performance or nonperformance of any of its obligations hereunder to the extent that such delay and nonperformance is due to any Force Majeure of which it has notified the other Party; *provided*, *however*, that such delay or nonperformance shall be excused for up to a maximum of [***], after which time the Parties will negotiate in good faith any modifications of the terms of this Agreement that may be necessary to arrive at an equitable solution.

17.8Notices. Any consent, notice, report or other communication required or permitted to be given or made under this Agreement by one of the Parties to the other Party will be delivered in writing by one of the following means and be effective: (a) upon receipt, if delivered personally; (b) when sent, if sent via e-mail (provided that such sent e-mail is kept on file (whether electronically or otherwise) by the sending Party and the sending Party does not immediately receive an automatically generated message from the recipient's e-mail server that such e-mail could not be delivered to such recipient); (c) when sent, if sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending Party); or (d) when delivered by a reputable, commercial overnight courier; provided in all cases addressed to such other Party at its address indicated below, or to such other address as the addressee will have last furnished in writing to the addressor and will be effective upon receipt by the addressee.

For Nektar:	Nektar Therapeutics 455 Mission Bay Boulevard South San Francisco, CA 94158 Attention: Chief Medical Officer
With a copy to:	Nektar Therapeutics 455 Mission Bay Boulevard South San Francisco, CA 94158 Attention: SVP & General Counsel
For BMS:	Bristol-Myers Squibb Company Route 206 and Province Line Road Princeton, NJ 08543-4000 Attention: VP, Business Development
With a copy to:	Bristol-Myers Squibb Company Route 206 and Province Line Road Princeton, NJ 08543-4000 Attention: VP & Assistant General Counsel, Licensing and Business Development

Written confirmation of receipt (x) given by the recipient of such notice, (y) mechanically or electronically generated by the sender's facsimile machine containing the time, date and recipient facsimile number or (z) provided by an overnight courier service, shall be rebuttable evidence of personal service, receipt by facsimile or receipt from an overnight courier service in accordance

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with clause (a), (c) or (d) above, respectively. A copy of the e-mail transmission containing the time, date and recipient e-mail address shall be rebuttable evidence of receipt by e-mail in accordance with clause (b) above.

17.9No Waiver; Modifications. It is agreed that no waiver by a Party hereto of any breach or default of any of the covenants or agreements set forth herein shall be deemed a waiver as to any subsequent or similar breach or default. The failure of either Party to insist on the performance of any obligation hereunder shall not be deemed a waiver of any such obligation. No amendment, modification, waiver, release or discharge to this Agreement shall be binding upon the Parties unless in writing and duly executed by authorized representatives of both Parties.

17.10No Strict Construction. This Agreement has been prepared jointly and shall not be strictly construed against either Party. No presumption as to construction of this Agreement shall apply against either Party with respect to any ambiguity in the wording of any provision(s) of this Agreement irrespective of which Party may be deemed to have authored the ambiguous provision(s).

17.11Independent Contractor. This Agreement will not constitute, create or otherwise imply a joint venture, partnership or formal business organization of any kind, and no employee or contractor of either Party or its Affiliates will be considered an employee or contractor of the other Party or its Affiliates. Each Party to this Agreement will act as an independent contractor and not as an agent or legal representative of the other. Neither Party will have the right or authority to assume, create or incur any Third Party liability or other obligation or liability of any kind, express or implied, against or in the name of or on behalf of the other Party except as expressly set forth in this Agreement.

17.12Assignment.

(a)Assignment Generally. Neither Party may assign or transfer this Agreement or any rights or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; *provided*, *however*, each Party may, without such consent, assign this Agreement and its rights and obligations hereunder: (i) to any of its Affiliates, in whole or in part; (ii) in connection with the transfer or sale of all or substantially all of the portion of its business to which this Agreement relates or in the event of its merger or consolidation with a Third Party; or (iii) pursuant to a Change of Control. Any permitted assignee will assume all of the applicable obligations of its assignor under this Agreement in writing concurrent with the assignment. Notwithstanding the foregoing, Nektar may assign any or all of its rights under Article 9 in connection with a financing transaction, and BMS agrees that, upon written notice from Nektar (or any permitted assignee under this Section 17.12), BMS shall deliver any future payments, together with any reports, notices or statements contemplated under Article 9, in accordance with the directions in such written notice. Any purported assignment or attempted assignment by any Party in violation of the terms of this Section 17.12 shall be null and void and of no legal effect. Except as otherwise provided herein, this Agreement shall be binding

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upon and inure to the benefit of the Parties and their successors and permitted assigns under this Section 17.12.

(b)Change of Control. Notwithstanding anything to the contrary herein, Nektar Assets shall not include (i) any assets Controlled by a Nektar Successor or any of its Affiliates prior to the effective date of a Change of Control of Nektar or (ii) acquired by a Nektar Successor or any of its Affiliates after the effective date of a Change of Control of Nektar, and BMS Assets shall not include (x) any assets Controlled by a BMS Successor or any of its Affiliates prior to the effective date of a Change of Control of BMS or (y) acquired by a BMS Successor or any of its Affiliates after the effective date of a Change of Control of BMS (with BMS Successor and Change of Control of BMS having correlative meanings to Nektar Successor and Change of Control of Nektar, *mutatis mutandis*). In the event of a Change of Control of Nektar, certain obligations or rights set forth in each following Sections shall terminate or be modified as set forth therein: 5.5 (Manufacturing Option); 6.4 (Nektar Annual Development Cost Cap); 7.3 (Independent Studies: Rights and Limitations); 8.12 (BMS Combination Commercialization Option); 9.4 (Global Commercial Profit Sharing); and 16.5 (BMS Right to Terminate without Cause).

17.13Headings. The captions to the several Sections and Articles hereof are not a part of this Agreement, but are included merely for convenience of reference only and shall not affect its meaning or interpretation.

17.14Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such executed signature page shall create a valid and binding obligation of the Party executing it (or on whose behalf such signature page is executed) with the same force and effect as if such executed signature page were an original thereof.

17.15Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of a Party under this Agreement will not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance here from and (d) in lieu of such illegal, invalid or unenforceable provision, the Parties shall negotiate in good faith a substitute legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as possible and as reasonably acceptable to the Parties.

17.16Performance by Affiliates. To the extent that this Agreement imposes obligations on Affiliates of a Party, such Party agrees to cause its Affiliates to perform such obligations. Subject to the terms of this Agreement, either Party may use one or more of its Affiliates to perform

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its obligations and duties hereunder, *provided that* such Party so notifies the other Party in writing and *provided further* that such Party shall remain liable hereunder for the prompt payment and performance of all of its obligations hereunder.

17.17Further Assurance. Each Party shall duly execute and deliver, or cause to be duly executed and delivered, such further instruments and shall do and cause to be done such further acts and things, including the filing of any assignments, agreements, documents and instruments, as may be necessary or as the other Party may reasonably request in order to perfect any license, assignment or other transfer of any properties or rights under or pursuant to this Agreement.

17.18No Benefit to Third Parties. The representations, warranties and agreements set forth in this Agreement are for the sole benefit of the Parties and their successors and permitted assigns, and they shall not be construed as conferring any rights on any other parties.

[*Signature page follows*]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound hereby, have caused this Agreement to be executed by their duly authorized representatives as of the Execution Date.

NEKTAR THERAPEUTICS	**BRISTOL-MYERS SQUIBB COMPANY**
By: /s/ Howard W. Robin	By: /s/ Giovanni Caforio
Name: Howard W. Robin	Name: Giovanni Caforio
Title: President and Chief Executive Officer	Title: Chairman and Chief Executive Officer
Date: February 13, 2018	Date: February 13, 2018

Index of Exhibits and Schedules

EXHIBIT A

SHARE PURCHASE AGREEMENT

Please refer to Exhibit 10.1 filed with Nektar Therapeutics' Current Report on Form 8-K filed with the SEC on February 14, 2018.

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EXHIBIT B

INVESTOR AGREEMENT

Please refer to Exhibit 4.1 filed with this quarterly report on Form 10-Q.

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SCHEDULE 1.34

CLINICAL MANUFACTURING COSTS

Subject to JMC approval, Clinical Manufacturing Costs includes the following internal and external costs and expenses related to the Development, Manufacture and supply of the Nektar Compounds for Collaboration Studies, Independent Studies and other Joint Development Plan activities:

A. Manufacturing process, formulation and delivery system development and validation;

B. Manufacturing scale-up (including capital expenditures therefor) and improvements;

C. Stability testing;

D. Quality assurance/quality control development;

E. Qualification and validation of Third Party contract manufacturers and subject to the terms and conditions of this Agreement;

F. Internal costs (including labor) for Manufacture of Nektar Assets; and

G. External costs (e.g., Third Party manufacturing or supply agreements) for Manufacture of the Nektar Compound and other Nektar Assets (as applicable) for use in clinical studies and other development activities.

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SCHEDULE 1.43

COLLABORATION THERAPIES

No.	Lines and Indications	MOAs / Targets*
1	[***]	[***]
2	[***]	[***]
3	[***]	[***]
4	[***]	[***]
5	[***]	[***]
6	[***]	[***]
7	[***]	[***]
8	[***]	[***]
9	[***]	[***]
10	[***]	[***]

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11	[***]	[***]
12	[***]	[***]
13	[***]	[***]
14	[***]	[***]
15	[***]	[***]
16	[***]	[***]
17	[***]	[***]
18	[***]	[***]
19	[***]	[***]
20	[***]	[***]
21	[***]	[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

- [***]

SCHEDULE 1.70

DEVELOPMENT COSTS

Development Costs *include*:

[***]

Development Costs *exclude*:

[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

SCHEDULE 1.156(a)

NKTR-214

The IL-2 pathway agonist NKTR-214 is produced by conjugating [***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

SCHEDULE 1.156(b)(1)

[***]

[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

SCHEDULE 1.156(b)(2)

[***]

[***]

[***] Certain information in this document has been omitted and filed separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Schedule

SCHEDULE 3.1

INITIAL JOINT DEVELOPMENT PLAN

[***]

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SCHEDULE 3.4(c)

LIST OF EXISTING CROS, INVESTIGATORS AND THIRD PARTY CONTRACTORS

Vendors/CROs

[***]

Investigators

[***]

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SCHEDULE 5.2(a)(iii)

THIRD PARTY MANUFACTURERS

[***]

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SCHEDULE 5.5(d)(i)

NKTR-214 Technology Transfer by Nektar

In the event that Nektar is required by this Agreement to make a transfer of any Nektar Manufacturing Know-How to a BMS facility and/or a facility of a BMS Third Party contract manufacturer (the "***NKTR-214 Contract Manufacturer***") to enable either BMS and/or the NKTR-214 Contract Manufacturer to manufacture NKTR-214 (a "***NKTR-214 Technology Transfer***" and the Nektar Confidential Information and Nektar Technology to be transferred in any NKTR-214 Technology Transfer the "***NKTR-214 Technology***"), then the following provisions shall be applicable.

[***]

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SCHEDULE 5.5(d)(ii)

PEG Reagent Technology Transfer by Nektar

In the event that Nektar is required by this Agreement to make a transfer of any Nektar Manufacturing Know-How to a BMS Facility and/or a facility of a BMS Third Party contract manufacturer (the "***PEG Reagent Contract Manufacturer***") to enable either BMS and/or the PEG Reagent Contract Manufacturer to manufacture the PEG Reagent (a "***PEG Technology Transfer***" and the Nektar Confidential Information and Nektar Technology to be transferred in any PEG Technology Transfer the "***Nektar PEG Technology***"), then the following provisions shall be applicable.

[***]

(b)

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SCHEDULE 6.3

COMBINED THERAPY COLLABORATION STUDY DEVELOPMENT COST ALLOCATION

Combined Therapy Collaboration Study Development Cost Allocation:

Combinations with Products	Nektar	BMS	Third Party
Doublet with the BMS Compound or any other single BMS Asset or Third Party Asset sourced by BMS	32.5%	67.5%	-
Doublet with any other Nektar Asset or Third Party Asset sourced by Nektar	82.5%	17.5%	-
Triplet with 2 BMS Assets (which may include the BMS Compound)	22%	78%	-
[***]			

[***]

In the event that a Collaboration Study includes multi-arm comparative studies that draw on more than one combination described in the above table (e.g., a doublet with a BMS Compound plus a triplet with 1 BMS Asset plus 1 Nektar Asset) the Development Cost allocations between Nektar and BMS shall be a blended rate based on [***]. Using the example from the prior sentence, [***]

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SCHEDULE 7.2

CURRENT STUDIES

Counterparty / Agreement	Description
PRECLINICAL	
[***]	[***]
CLINICAL	
[***]	[***]

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SCHEDULE 12.5

INITIAL PRESS RELEASE

Schedule

Bristol-Myers Squibb and Nektar Therapeutics Announce Global Development & Commercialization Collaboration for Nektar's CD122-biased Agonist, NKTR-214

- *Collaboration to evaluate the full-potential of NKTR-214 plus Opdivo (nivolumab) across numerous tumors, based on promising early data from ongoing Phase 1/2 PIVOT clinical study*
- *Establishes a broad joint clinical development plan combining NKTR-214 with Opdivo and Opdivo plus Yervoy (ipilimumab) in registration-enabling trials in more than 20 indications across 9 tumors*
- *Bristol-Myers Squibb to pay Nektar $1.85 billion upfront, comprised of $1.0 billion in cash and the purchase of ~8.28 million shares of Nektar stock at $102.60 per share*
- *Companies to share global profits on NKTR-214, with Nektar receiving 65% and Bristol-Myers Squibb 35%*
- *Nektar to book revenue for worldwide sales of NKTR-214 and retains ability to develop NKTR-214 with other anti-cancer agents*
- *Bristol-Myers Squibb obtains exclusive rights in 20 indications across 9 tumors included in the joint clinical development plan for a specified time period*

(**NEW YORK and SAN FRANCISCO, February 14, 2018)** - Bristol-Myers Squibb Company (NYSE:BMY) and Nektar Therapeutics (Nasdaq: NKTR) announced today the companies have executed a global strategic development and commercialization collaboration for Nektar's lead immuno-oncology program, NKTR-214. Under the collaboration, the companies will jointly develop and commercialize NKTR-214 in combination with Bristol-Myers Squibb's *Opdivo* (nivolumab) and *Opdivo* plus *Yervoy* (ipilimumab) in more than 20 indications across 9 tumor types, as well as potential combinations with other anti-cancer agents from either of the respective companies and/or third parties.

NKTR-214, a CD122-biased agonist, is an investigational immuno-stimulatory therapy designed to selectively expand cancer-fighting T cells and natural killer (NK) cells directly in the tumor micro-environment and increase PD-1 expression on those immune cells.

"We are excited to bring our leading capabilities and expertise in developing cancer therapies together with Nektar's innovative science to jointly develop and commercialize NKTR-214 in combination with *Opdivo* and *Opdivo* plus *Yervoy*," said Giovanni Caforio, M.D., Chairman and CEO, Bristol-Myers Squibb. "Bristol-Myers Squibb has established *Opdivo* plus *Yervoy* as the only approved immunotherapy combination for cancer patients and built a robust oncology pipeline. With this commitment to development of NKTR-214, an investigational therapy designed with a unique approach to harnessing the full potential of the interleukin-2 pathway, we now have a third validated I-O mechanism that has demonstrated a clinical benefit in patients, and holds significant potential to expand the benefits that these immuno-oncology agents can bring to patients with cancer."

Bristol-Myers Squibb and Nektar have agreed to a joint clinical development plan to evaluate NKTR-214 with *Opdivo* and *Opdivo* plus *Yervoy* in registration-enabling clinical trials in more than 20 indications in 9 tumor types including melanoma, renal cell carcinoma, non-small cell lung cancer, bladder and triple negative breast cancer. Pivotal studies in renal cell carcinoma and melanoma are expected to be initiated in mid-2018.

“Bristol-Myers Squibb, the global leader in immuno-oncology, is the ideal collaborator to enable us to establish NKTR-214 as a backbone immunotherapy in the treatment of cancer,” said Howard Robin, President & CEO of Nektar. "NKTR-214’s ability to grow tumor infiltrating lymphocytes (TILs) *in vivo* and replenish the immune system is critically important as many patients battling cancer lack sufficient TIL populations to benefit from approved checkpoint inhibitor therapies. This strategic collaboration allows us to very quickly develop NKTR-214 with the leading approved PD-1 immune checkpoint inhibitor in numerous registrational trials. We look forward to our continued relationship with Bristol-Myers Squibb as we work together to advance cancer treatment for patients around the world."

Transaction Terms

Under the terms of the agreement, Bristol-Myers Squibb will make an upfront cash payment of $1.0 billion and an equity investment of $850 million (8,284,600 shares of Nektar’s common stock at $102.60 per share). Bristol-Myers Squibb has agreed to certain lock-up, standstill and voting provisions on its share ownership for a period of five years subject to certain specified exceptions.

Nektar is also eligible to receive an additional $1.78 billion in milestones, of which $1.43 billion are development and regulatory milestones and the remainder are sales milestones. Nektar will book revenue for worldwide sales of NKTR-214 and the companies will split global profits for NKTR-214 with Nektar receiving 65% and Bristol-Myers Squibb 35%. Bristol-Myers Squibb will retain 100% of product revenues for its own medicines. The parties also will share development costs relative to their ownership interest of medicines included in the trials. For trials in the joint clinical development plan that include NKTR-214 with *Opdivo* only, the parties will share development costs with 67.5% allocated to Bristol-Myers Squibb and 32.5% allocated to Nektar. For trials in the joint clinical development plan that include NKTR-214 with *Opdivo* and *Yervoy*, the parties will share development costs with 78% allocated to Bristol-Myers Squibb and 22% allocated to Nektar. Both Bristol-Myers Squibb and Nektar have agreed for a specified period of time to not commence development with overlapping mechanisms of action in the same indications as those included in the joint clinical development plan. The parties are otherwise free to develop NKTR-214 with their own pipeline assets and/or any other third party compounds. Both parties have agreed to initiate registration-enabling studies in the joint clinical development plan within 14 months of the effective date of the agreement, subject to allowable delays.
Both parties will jointly commercialize NKTR-214 on a global basis. Bristol-Myers Squibb will lead global commercialization activities for NKTR-214 combinations with Bristol-Myers Squibb medicines and Nektar will co-commercialize such combinations in the US, major EU markets and Japan. Nektar will lead global commercialization activities for NKTR-214 combinations with either Nektar medicines and/or other third-party medicines.

For Bristol-Myers Squibb, the transactions are expected to be dilutive in 2018 and 2019 to the company’s non-GAAP EPS by $0.05 and $0.20, respectively. Nektar and Bristol-Myers Squibb currently expect to complete the transaction during the second quarter of 2018, subject to the expiration or termination of applicable waiting periods under all applicable US antitrust laws and the satisfaction of other usual and customary closing conditions. Further details of the agreement can be found in Nektar’s Form 8-K filed today with the Securities and Exchange Commission. Sidley Austin LLP is acting as legal counsel to Nektar for the strategic

collaboration agreement and equity investment.
Nektar and Bristol-Myers Squibb entered into a clinical collaboration in September of 2016 to evaluate the potential for the combination of *Opdivo* and NKTR-214 to show improved and sustained efficacy and tolerability above the current standard of care. The Phase 1/2 PIVOT clinical study is ongoing in over 350 patients with melanoma, kidney, non-small cell lung cancer, bladder, and triple-negative breast cancers.

Nektar Conference Call with Analysts & Investors

Nektar will host a conference call and webcast presentation today, February 14, 2018 at 8:00 a.m. Eastern Time to discuss the transaction. The call can be accessed by dialing (877) 881-2183 (U.S.) or (970) 315-0453 (international), and entering passcode 2289559. To access the live webcast, or the subsequent archived recording, visit the Investor Events section of the Nektar website at http://ir.nektar.com/events-and-presentations/events. The webcast will be available for replay on Nektar's website for two weeks following the call.

About NKTR-214

NKTR-214 is an experimental therapy designed to stimulate cancer-killing immune cells in the body by targeting CD122 specific receptors found on the surface of these immune cells, known as CD8+ effector T cells and Natural Killer (NK) cells. Growing these tumor-infiltrating lymphocytes (TILs) *in vivo* and replenishing the immune system is critically important as many patients battling cancer lack sufficient TIL populations to benefit from approved checkpoint inhibitor therapies. In preclinical studies, treatment with NKTR-214 resulted in a rapid expansion of these cells and mobilization into the tumor micro-environment.[1,2] NKTR-214 has an antibody-like dosing regimen similar to the existing checkpoint inhibitor class of approved medicines.

Bristol-Myers Squibb & Immuno-Oncology: Advancing Oncology Research
At Bristol-Myers Squibb, patients are at the center of everything we do. Our vision for the future of cancer care is focused on researching and developing transformational Immuno-Oncology (I-O) medicines for hard-to-treat cancers that could potentially improve outcomes for these patients.
We are leading the scientific understanding of I-O through our extensive portfolio of investigational compounds and approved agents. Our differentiated clinical development program is studying broad patient populations across more than 50 types of cancers with 14 clinical-stage molecules designed to target different immune system pathways. Our deep expertise and innovative clinical trial designs position us to advance I-O/I-O, I-O/chemotherapy, I-O/targeted therapies and I-O radiation therapies across multiple tumors and potentially deliver the next wave of therapies with a sense of urgency. We also continue to pioneer research that will help facilitate a deeper understanding of the role of immune biomarkers and how patients' tumor biology can be used as a guide for treatment decisions throughout their journey.
We understand making the promise of I-O a reality for the many patients who may benefit from these therapies requires not only innovation on our part but also close collaboration with leading experts in the field. Our partnerships with academia, government, advocacy and biotech companies support our collective goal of providing new treatment options to advance the standards of clinical practice.

About *Opdivo*

Opdivo is a programmed death-1 (PD-1) immune checkpoint inhibitor that is designed to uniquely harness the body's own immune system to help restore anti-tumor immune response. By harnessing the body's own immune system to fight cancer, *Opdivo* has become an important treatment option across multiple cancers.

Opdivo's leading global development program is based on Bristol-Myers Squibb's scientific expertise in the field of Immuno-Oncology and includes a broad range of clinical trials across all phases, including Phase 3, in a variety of tumor types. To date, the *Opdivo* clinical development program has enrolled more than 25,000 patients. The *Opdivo* trials have contributed to gaining a deeper understanding of the potential role of biomarkers in patient care, particularly regarding how patients may benefit from *Opdivo* across the continuum of PD-L1 expression.

In July 2014, *Opdivo* was the first PD-1 immune checkpoint inhibitor to receive regulatory approval anywhere in the world. *Opdivo* is currently approved in more than 60 countries, including the United States, the European Union and Japan. In October 2015, the company's *Opdivo* and *Yervoy* combination regimen was the first Immuno-Oncology combination to receive regulatory approval for the treatment of metastatic melanoma and is currently approved in more than 50 countries, including the United States and the European Union.

About *Yervoy*

Yervoy is a recombinant, human monoclonal antibody that binds to the cytotoxic T-lymphocyte-associated antigen-4 (CTLA-4). CTLA-4 is a negative regulator of T-cell activity. *Yervoy* binds to CTLA-4 and blocks the interaction of CTLA-4 with its ligands, CD80/CD86. Blockade of CTLA-4 has been shown to augment T-cell activation and proliferation, including the activation and proliferation of tumor infiltrating T-effector cells. Inhibition of CTLA-4 signaling can also reduce T-regulatory cell function, which may contribute to a general increase in T-cell responsiveness, including the anti-tumor immune response. On March 25, 2011, the U.S. Food and Drug Administration (FDA) approved *Yervoy* 3 mg/kg monotherapy for patients with unresectable or metastatic melanoma. *Yervoy* is approved for unresectable or metastatic melanoma in more than 50 countries. There is a broad, ongoing development program in place for *Yervoy* spanning multiple tumor types.

U.S. FDA-APPROVED INDICATIONS FOR OPDIVO ®

OPDIVO® (nivolumab) as a single agent is indicated for the treatment of patients with BRAF V600 mutation-positive unresectable or metastatic melanoma. This indication is approved under accelerated approval based on progression-free survival. Continued approval for this indication may be contingent upon verification and description of clinical benefit in the confirmatory trials.

OPDIVO® (nivolumab) as a single agent is indicated for the treatment of patients with BRAF V600 wild-type unresectable or metastatic melanoma.

OPDIVO® (nivolumab), in combination with YERVOY® (ipilimumab), is indicated for the treatment of patients with unresectable or metastatic melanoma. This indication is approved under accelerated approval based on progression-free survival. Continued approval for this

indication may be contingent upon verification and description of clinical benefit in the confirmatory trials.
OPDIVO® (nivolumab) is indicated for the treatment of patients with metastatic non-small cell lung cancer (NSCLC) with progression on or after platinum-based chemotherapy. Patients with EGFR or ALK genomic tumor aberrations should have disease progression on FDA-approved therapy for these aberrations prior to receiving OPDIVO.
OPDIVO® (nivolumab) is indicated for the treatment of patients with advanced renal cell carcinoma (RCC) who have received prior anti-angiogenic therapy.
OPDIVO® (nivolumab) is indicated for the treatment of adult patients with classical Hodgkin lymphoma (cHL) that has relapsed or progressed after autologous hematopoietic stem cell transplantation (HSCT) and brentuximab vedotin or after 3 or more lines of systemic therapy that includes autologous HSCT. This indication is approved under accelerated approval based on overall response rate. Continued approval for this indication may be contingent upon verification and description of clinical benefit in confirmatory trials.
OPDIVO® (nivolumab) is indicated for the treatment of patients with recurrent or metastatic squamous cell carcinoma of the head and neck (SCCHN) with disease progression on or after platinum-based therapy.
OPDIVO® (nivolumab) is indicated for the treatment of patients with locally advanced or metastatic urothelial carcinoma who have disease progression during or following platinum-containing chemotherapy or have disease progression within 12 months of neoadjuvant or adjuvant treatment with platinum-containing chemotherapy. This indication is approved under accelerated approval based on tumor response rate and duration of response. Continued approval for this indication may be contingent upon verification and description of clinical benefit in confirmatory trials.
OPDIVO® (nivolumab) is indicated for the treatment of adult and pediatric (12 years and older) patients with microsatellite instability high (MSI-H) or mismatch repair deficient (dMMR) metastatic colorectal cancer (CRC) that has progressed following treatment with a fluoropyrimidine, oxaliplatin, and irinotecan. This indication is approved under accelerated approval based on overall response rate and duration of response. Continued approval for this indication may be contingent upon verification and description of clinical benefit in confirmatory trials.
OPDIVO® (nivolumab) is indicated for the treatment of patients with hepatocellular carcinoma (HCC) who have been previously treated with sorafenib. This indication is approved under accelerated approval based on tumor response rate and durability of response. Continued approval for this indication may be contingent upon verification and description of clinical benefit in the confirmatory trials.
OPDIVO® (nivolumab) is indicated for the adjuvant treatment of patients with melanoma with involvement of lymph nodes or metastatic disease who have undergone complete resection.

IMPORTANT SAFETY INFORMATION

WARNING: IMMUNE-MEDIATED ADVERSE REACTIONS

YERVOY can result in severe and fatal immune-mediated adverse reactions. These immune-mediated reactions may involve any organ system; however, the most common severe immune-mediated adverse reactions are enterocolitis, hepatitis, dermatitis (including toxic epidermal necrolysis), neuropathy, and endocrinopathy. The majority of these immune-mediated reactions initially manifested during treatment; however, a minority occurred weeks to months after discontinuation of YERVOY.
Assess patients for signs and symptoms of enterocolitis, dermatitis, neuropathy, and endocrinopathy and evaluate clinical chemistries including liver function tests (LFTs), adrenocorticotropic hormone (ACTH) level, and thyroid function tests at baseline and before each dose.
Permanently discontinue YERVOY and initiate systemic high-dose corticosteroid therapy for severe immune-mediated reactions.
Immune-Mediated Pneumonitis
OPDIVO can cause immune-mediated pneumonitis. Fatal cases have been reported. Monitor patients for signs with radiographic imaging and for symptoms of pneumonitis. Administer corticosteroids for Grade 2 or more severe pneumonitis. Permanently discontinue for Grade 3 or 4 and withhold until resolution for Grade 2. In patients receiving OPDIVO monotherapy, fatal cases of immune-mediated pneumonitis have occurred. Immune-mediated pneumonitis occurred in 3.1% (61/1994) of patients. In patients receiving OPDIVO with YERVOY, immune-mediated pneumonitis occurred in 6% (25/407) of patients.
In Checkmate 205 and 039, pneumonitis, including interstitial lung disease, occurred in 6.0% (16/266) of patients receiving OPDIVO. Immune-mediated pneumonitis occurred in 4.9% (13/266) of patients receiving OPDIVO: Grade 3 (n=1) and Grade 2 (n=12).
Immune-Mediated Colitis
OPDIVO can cause immune-mediated colitis. Monitor patients for signs and symptoms of colitis. Administer corticosteroids for Grade 2 (of more than 5 days duration), 3, or 4 colitis. Withhold OPDIVO monotherapy for Grade 2 or 3 and permanently discontinue for Grade 4 or recurrent colitis upon re-initiation of OPDIVO. When administered with YERVOY, withhold OPDIVO and YERVOY for Grade 2 and permanently discontinue for Grade 3 or 4 or recurrent colitis. In patients receiving OPDIVO monotherapy, immune-mediated colitis occurred in 2.9% (58/1994) of patients. In patients receiving OPDIVO with YERVOY, immune-mediated colitis occurred in 26% (107/407) of patients including three fatal cases.
In a separate Phase 3 study of YERVOY 3 mg/kg, severe, life-threatening, or fatal (diarrhea of ≥7 stools above baseline, fever, ileus, peritoneal signs; Grade 3-5) immune-mediated enterocolitis occurred in 34 (7%) patients. Across all YERVOY-treated patients in that study (n=511), 5 (1%) developed intestinal perforation, 4 (0.8%) died as a result of complications, and 26 (5%) were hospitalized for severe enterocolitis.
Immune-Mediated Hepatitis
OPDIVO can cause immune-mediated hepatitis. Monitor patients for abnormal liver tests prior to and periodically during treatment. Administer corticosteroids for Grade 2 or greater

transaminase elevations. For patients without HCC, withhold OPDIVO for Grade 2 and permanently discontinue OPDIVO for Grade 3 or 4. For patients with HCC, withhold OPDIVO and administer corticosteroids if AST/ALT is within normal limits at baseline and increases to >3 and up to 5 times the upper limit of normal (ULN), if AST/ALT is >1 and up to 3 times ULN at baseline and increases to >5 and up to 10 times the ULN, and if AST/ALT is >3 and up to 5 times ULN at baseline and increases to >8 and up to 10 times the ULN. Permanently discontinue OPDIVO and administer corticosteroids if AST or ALT increases to >10 times the ULN or total bilirubin increases >3 times the ULN. In patients receiving OPDIVO monotherapy, immune-mediated hepatitis occurred in 1.8% (35/1994) of patients. In patients receiving OPDIVO with YERVOY, immune-mediated hepatitis occurred in 13% (51/407) of patients.
In Checkmate 040, immune-mediated hepatitis requiring systemic corticosteroids occurred in 5% (8/154) of patients receiving OPDIVO.
In a separate Phase 3 study of YERVOY 3 mg/kg, severe, life-threatening, or fatal hepatotoxicity (AST or ALT elevations >5x the ULN or total bilirubin elevations >3x the ULN; Grade 3-5) occurred in 8 (2%) patients, with fatal hepatic failure in 0.2% and hospitalization in 0.4%.

Immune-Mediated Neuropathies

In a separate Phase 3 study of YERVOY 3 mg/kg, 1 case of fatal Guillain-Barré syndrome and 1 case of severe (Grade 3) peripheral motor neuropathy were reported.

Immune-Mediated Endocrinopathies

OPDIVO can cause immune-mediated hypophysitis, immune-mediated adrenal insufficiency, autoimmune thyroid disorders, and Type 1 diabetes mellitus. Monitor patients for signs and symptoms of hypophysitis, signs and symptoms of adrenal insufficiency, thyroid function prior to and periodically during treatment, and hyperglycemia. Administer hormone replacement as clinically indicated and corticosteroids for Grade 2 or greater hypophysitis. Withhold for Grade 2 or 3 and permanently discontinue for Grade 4 hypophysitis. Administer corticosteroids for Grade 3 or 4 adrenal insufficiency. Withhold for Grade 2 and permanently discontinue for Grade 3 or 4 adrenal insufficiency. Administer hormone-replacement therapy for hypothyroidism. Initiate medical management for control of hyperthyroidism. Withhold OPDIVO for Grade 3 and permanently discontinue for Grade 4 hyperglycemia.
In patients receiving OPDIVO monotherapy, hypophysitis occurred in 0.6% (12/1994) of patients. In patients receiving OPDIVO with YERVOY, hypophysitis occurred in 9% (36/407) of patients. In patients receiving OPDIVO monotherapy, adrenal insufficiency occurred in 1% (20/1994) of patients. In patients receiving OPDIVO with YERVOY, adrenal insufficiency occurred in 5% (21/407) of patients. In patients receiving OPDIVO monotherapy, hypothyroidism or thyroiditis resulting in hypothyroidism occurred in 9% (171/1994) of patients. Hyperthyroidism occurred in 2.7% (54/1994) of patients receiving OPDIVO monotherapy. In patients receiving OPDIVO with YERVOY, hypothyroidism or thyroiditis resulting in hypothyroidism occurred in 22% (89/407) of patients. Hyperthyroidism occurred in 8% (34/407) of patients receiving OPDIVO with YERVOY. In patients receiving OPDIVO monotherapy, diabetes occurred in 0.9% (17/1994) of patients. In patients receiving OPDIVO with YERVOY, diabetes occurred in 1.5% (6/407) of patients.

In a separate Phase 3 study of YERVOY 3 mg/kg, severe to life-threatening immune-mediated endocrinopathies (requiring hospitalization, urgent medical intervention, or interfering with activities of daily living; Grade 3-4) occurred in 9 (1.8%) patients. All 9 patients had hypopituitarism, and some had additional concomitant endocrinopathies such as adrenal insufficiency, hypogonadism, and hypothyroidism. 6 of the 9 patients were hospitalized for severe endocrinopathies.

Immune-Mediated Nephritis and Renal Dysfunction

OPDIVO can cause immune-mediated nephritis. Monitor patients for elevated serum creatinine prior to and periodically during treatment. Administer corticosteroids for Grades 2-4 increased serum creatinine. Withhold OPDIVO for Grade 2 or 3 and permanently discontinue for Grade 4 increased serum creatinine. In patients receiving OPDIVO monotherapy, immune-mediated nephritis and renal dysfunction occurred in 1.2% (23/1994) of patients. In patients receiving OPDIVO with YERVOY, immune-mediated nephritis and renal dysfunction occurred in 2.2% (9/407) of patients.

Immune-Mediated Skin Adverse Reactions and Dermatitis

OPDIVO can cause immune-mediated rash, including Stevens-Johnson syndrome (SJS) and toxic epidermal necrolysis (TEN), some cases with fatal outcome. Administer corticosteroids for Grade 3 or 4 rash. Withhold for Grade 3 and permanently discontinue for Grade 4 rash. For symptoms or signs of SJS or TEN, withhold OPDIVO and refer the patient for specialized care for assessment and treatment; if confirmed, permanently discontinue. In patients receiving OPDIVO monotherapy, immune-mediated rash occurred in 9% (171/1994) of patients. In patients receiving OPDIVO with YERVOY, immune-mediated rash occurred in 22.6% (92/407) of patients.

In a separate Phase 3 study of YERVOY 3 mg/kg, severe, life-threatening, or fatal immune-mediated dermatitis (eg, Stevens-Johnson syndrome, toxic epidermal necrolysis, or rash complicated by full thickness dermal ulceration, or necrotic, bullous, or hemorrhagic manifestations; Grade 3-5) occurred in 13 (2.5%) patients. 1 (0.2%) patient died as a result of toxic epidermal necrolysis. 1 additional patient required hospitalization for severe dermatitis.

Immune-Mediated Encephalitis

OPDIVO can cause immune-mediated encephalitis. Evaluation of patients with neurologic symptoms may include, but not be limited to, consultation with a neurologist, brain MRI, and lumbar puncture. Withhold OPDIVO in patients with new-onset moderate to severe neurologic signs or symptoms and evaluate to rule out other causes. If other etiologies are ruled out, administer corticosteroids and permanently discontinue OPDIVO for immune-mediated encephalitis. In patients receiving OPDIVO monotherapy, encephalitis occurred in 0.2% (3/1994) of patients. Fatal limbic encephalitis occurred in one patient after 7.2 months of exposure despite discontinuation of OPDIVO and administration of corticosteroids. Encephalitis occurred in one patient receiving OPDIVO with YERVOY (0.2%) after 1.7 months of exposure.

Other Immune-Mediated Adverse Reactions

Based on the severity of the adverse reaction, permanently discontinue or withhold OPDIVO, administer high-dose corticosteroids, and, if appropriate, initiate hormone-replacement therapy.

Across clinical trials of OPDIVO monotherapy or in combination with YERVOY, the following clinically significant immune-mediated adverse reactions, some with fatal outcome, occurred in <1.0% of patients receiving OPDIVO: myocarditis, rhabdomyolysis, myositis, uveitis, iritis, pancreatitis, facial and abducens nerve paresis, demyelination, polymyalgia rheumatica, autoimmune neuropathy, Guillain-Barré syndrome, hypopituitarism, systemic inflammatory response syndrome, gastritis, duodenitis, sarcoidosis, histiocytic necrotizing lymphadenitis (Kikuchi lymphadenitis), motor dysfunction, vasculitis, and myasthenic syndrome.

Infusion Reactions

OPDIVO can cause severe infusion reactions, which have been reported in <1.0% of patients in clinical trials. Discontinue OPDIVO in patients with Grade 3 or 4 infusion reactions. Interrupt or slow the rate of infusion in patients with Grade 1 or 2. In patients receiving OPDIVO monotherapy, infusion-related reactions occurred in 6.4% (127/1994) of patients. In patients receiving OPDIVO with YERVOY, infusion-related reactions occurred in 2.5% (10/407) of patients.

Complications of Allogeneic HSCT after OPDIVO

Complications, including fatal events, occurred in patients who received allogeneic HSCT after OPDIVO. Outcomes were evaluated in 17 patients from Checkmate 205 and 039, who underwent allogeneic HSCT after discontinuing OPDIVO (15 with reduced-intensity conditioning, 2 with myeloablative conditioning). Thirty-five percent (6/17) of patients died from complications of allogeneic HSCT after OPDIVO. Five deaths occurred in the setting of severe or refractory GVHD. Grade 3 or higher acute GVHD was reported in 29% (5/17) of patients. Hyperacute GVHD was reported in 20% (n=2) of patients. A steroid-requiring febrile syndrome, without an identified infectious cause, was reported in 35% (n=6) of patients. Two cases of encephalitis were reported: Grade 3 (n=1) lymphocytic encephalitis without an identified infectious cause, and Grade 3 (n=1) suspected viral encephalitis. Hepatic veno-occlusive disease (VOD) occurred in one patient, who received reduced-intensity conditioned allogeneic HSCT and died of GVHD and multi-organ failure. Other cases of hepatic VOD after reduced-intensity conditioned allogeneic HSCT have also been reported in patients with lymphoma who received a PD-1 receptor blocking antibody before transplantation. Cases of fatal hyperacute GVHD have also been reported. These complications may occur despite intervening therapy between PD-1 blockade and allogeneic HSCT.

Follow patients closely for early evidence of transplant-related complications such as hyperacute GVHD, severe (Grade 3 to 4) acute GVHD, steroid-requiring febrile syndrome, hepatic VOD, and other immune-mediated adverse reactions, and intervene promptly.

Embryo-Fetal Toxicity

Based on their mechanisms of action, OPDIVO and YERVOY can cause fetal harm when administered to a pregnant woman. Advise pregnant women of the potential risk to a fetus. Advise females of reproductive potential to use effective contraception during treatment with an OPDIVO- or YERVOY- containing regimen and for at least 5 months after the last dose of OPDIVO.

Lactation

It is not known whether OPDIVO or YERVOY is present in human milk. Because many drugs, including antibodies, are excreted in human milk and because of the potential for serious adverse reactions in nursing infants from an OPDIVO-containing regimen, advise women to discontinue breastfeeding during treatment. Advise women to discontinue nursing during treatment with YERVOY and for 3 months following the final dose.

Serious Adverse Reactions

In Checkmate 037, serious adverse reactions occurred in 41% of patients receiving OPDIVO (n=268). Grade 3 and 4 adverse reactions occurred in 42% of patients receiving OPDIVO. The most frequent Grade 3 and 4 adverse drug reactions reported in 2% to <5% of patients receiving OPDIVO were abdominal pain, hyponatremia, increased aspartate aminotransferase, and increased lipase. In Checkmate 066, serious adverse reactions occurred in 36% of patients receiving OPDIVO (n=206). Grade 3 and 4 adverse reactions occurred in 41% of patients receiving OPDIVO. The most frequent Grade 3 and 4 adverse reactions reported in ≥2% of patients receiving OPDIVO were gamma-glutamyltransferase increase (3.9%) and diarrhea (3.4%). In Checkmate 067, serious adverse reactions (73% and 37%), adverse reactions leading to permanent discontinuation (43% and 14%) or to dosing delays (55% and 28%), and Grade 3 or 4 adverse reactions (72% and 44%) all occurred more frequently in the OPDIVO plus YERVOY arm (n=313) relative to the OPDIVO arm (n=313). The most frequent (≥10%) serious adverse reactions in the OPDIVO plus YERVOY arm and the OPDIVO arm, respectively, were diarrhea (13% and 2.6%), colitis (10% and 1.6%), and pyrexia (10% and 0.6%). In Checkmate 017 and 057, serious adverse reactions occurred in 46% of patients receiving OPDIVO (n=418). The most frequent serious adverse reactions reported in at least 2% of patients receiving OPDIVO were pneumonia, pulmonary embolism, dyspnea, pyrexia, pleural effusion, pneumonitis, and respiratory failure. In Checkmate 025, serious adverse reactions occurred in 47% of patients receiving OPDIVO (n=406). The most frequent serious adverse reactions reported in ≥2% of patients were acute kidney injury, pleural effusion, pneumonia, diarrhea, and hypercalcemia. In Checkmate 205 and 039, adverse reactions leading to discontinuation occurred in 7% and dose delays due to adverse reactions occurred in 34% of patients (n=266). Serious adverse reactions occurred in 26% of patients. The most frequent serious adverse reactions reported in ≥1% of patients were pneumonia, infusion-related reaction, pyrexia, colitis or diarrhea, pleural effusion, pneumonitis, and rash. Eleven patients died from causes other than disease progression: 3 from adverse reactions within 30 days of the last OPDIVO dose, 2 from infection 8 to 9 months after completing OPDIVO, and 6 from complications of allogeneic HSCT. In Checkmate 141, serious adverse reactions occurred in 49% of patients receiving OPDIVO (n=236). The most frequent serious adverse reactions reported in at least 2% of patients receiving OPDIVO were pneumonia, dyspnea, respiratory failure, respiratory tract infection, and sepsis. In Checkmate 275, serious adverse reactions occurred in 54% of patients receiving OPDIVO (n=270). The most frequent serious adverse reactions reported in at least 2% of patients receiving OPDIVO were urinary tract infection, sepsis, diarrhea, small intestine obstruction, and general physical health deterioration. In Checkmate 040, serious adverse reactions occurred in 49% of patients (n=154). The most frequent serious adverse reactions reported in at least 2% of patients were pyrexia, ascites, back pain, general physical health deterioration, abdominal pain, and pneumonia. In Checkmate 238, Grade 3 or 4 adverse reactions occurred in 25% of OPDIVO-treated patients (n=452). The most frequent Grade 3 and 4 adverse reactions reported in at least 2% of OPDIVO-treated patients were diarrhea and increased lipase and amylase. Serious adverse reactions occurred in 18% of OPDIVO-treated patients.

Common Adverse Reactions

In Checkmate 037, the most common adverse reaction (≥20%) reported with OPDIVO (n=268) was rash (21%). In Checkmate 066, the most common adverse reactions (≥20%) reported with OPDIVO (n=206) vs dacarbazine (n=205) were fatigue (49% vs 39%), musculoskeletal pain (32% vs 25%), rash (28% vs 12%), and pruritus (23% vs 12%). In Checkmate 067, the most common (≥20%) adverse reactions in the OPDIVO plus YERVOY arm (n=313) were fatigue (59%), rash (53%), diarrhea (52%), nausea (40%), pyrexia (37%), vomiting (28%), and dyspnea (20%). The most common (≥20%) adverse reactions in the OPDIVO (n=313) arm were fatigue (53%), rash (40%), diarrhea (31%), and nausea (28%). In Checkmate 017 and 057, the most common adverse reactions (≥20%) in patients receiving OPDIVO (n=418) were fatigue, musculoskeletal pain, cough, dyspnea, and decreased appetite. In Checkmate 025, the most common adverse reactions (≥20%) reported in patients receiving OPDIVO (n=406) vs everolimus (n=397) were asthenic conditions (56% vs 57%), cough (34% vs 38%), nausea (28% vs 29%), rash (28% vs 36%), dyspnea (27% vs 31%), diarrhea (25% vs 32%), constipation (23% vs 18%), decreased appetite (23% vs 30%), back pain (21% vs 16%), and arthralgia (20% vs 14%). In Checkmate 205 and 039, the most common adverse reactions (≥20%) reported in patients receiving OPDIVO (n=266) were upper respiratory tract infection (44%), fatigue (39%), cough (36%), diarrhea (33%), pyrexia (29%), musculoskeletal pain (26%), rash (24%), nausea (20%) and pruritus (20%). In Checkmate 141, the most common adverse reactions (≥10%) in patients receiving OPDIVO (n=236) were cough and dyspnea at a higher incidence than investigator's choice. In Checkmate 275, the most common adverse reactions (≥ 20%) reported in patients receiving OPDIVO (n=270) were fatigue (46%), musculoskeletal pain (30%), nausea (22%), and decreased appetite (22%). In Checkmate 040, the most common adverse reactions (≥20%) in patients receiving OPDIVO (n=154) were fatigue (38%), musculoskeletal pain (36%), abdominal pain (34%), pruritus (27%), diarrhea (27%), rash (26%), cough (23%), and decreased appetite (22%). In Checkmate 238, the most common adverse reactions (≥20%) reported in OPDIVO-treated patients (n=452) vs ipilimumab-treated patients (n=453) were fatigue (57% vs 55%), diarrhea (37% vs 55%), rash (35% vs 47%), musculoskeletal pain (32% vs 27%), pruritus (28% vs 37%), headache (23% vs 31%), nausea (23% vs 28%), upper respiratory infection (22% vs 15%), and abdominal pain (21% vs 23%). The most common immune-mediated adverse reactions were rash (16%), diarrhea/colitis (6%), and hepatitis (3%). The most common adverse reactions (≥20%) in patients who received OPDIVO as a single agent were fatigue, rash, musculoskeletal pain, pruritus, diarrhea, nausea, asthenia, cough, dyspnea, constipation, decreased appetite, back pain, arthralgia, upper respiratory tract infection, pyrexia, headache, and abdominal pain.

In a separate Phase 3 study of YERVOY 3 mg/kg, the most common adverse reactions (≥5%) in patients who received YERVOY at 3 mg/kg were fatigue (41%), diarrhea (32%), pruritus (31%), rash (29%), and colitis (8%).

Checkmate Trials and Patient Populations

Checkmate 067 – advanced melanoma alone or in combination with YERVOY; **Checkmate 037 and 066** – advanced melanoma; **Checkmate 017** – squamous non-small cell lung cancer (NSCLC); **Checkmate 057** – non-squamous NSCLC; **Checkmate 025** – renal cell carcinoma; **Checkmate 205/039** – classical Hodgkin lymphoma; **Checkmate 141** – squamous cell carcinoma of the head and neck; **Checkmate 275** – urothelial carcinoma; **Checkmate 040** – hepatocellular carcinoma; **CheckMate 238** – adjuvant treatment of melanoma.

Please see U.S. Full Prescribing Information for OPDIVO and YERVOY, including **Boxed WARNING regarding immune-mediated adverse reactions for YERVOY.**

About the Bristol-Myers Squibb and Ono Pharmaceutical Co., Ltd. Collaboration

In 2011, through a collaboration agreement with Ono Pharmaceutical Co., Ltd. (Ono), Bristol-Myers Squibb expanded its territorial rights to develop and commercialize *Opdivo* globally except in Japan, South Korea and Taiwan, where Ono had retained all rights to the compound at the time. On July 23, 2014, Bristol-Myers Squibb and Ono further expanded the companies' strategic collaboration agreement to jointly develop and commercialize multiple immunotherapies – as single agents and combination regimens – for patients with cancer in Japan, South Korea and Taiwan.

About Bristol-Myers Squibb

Bristol-Myers Squibb is a global biopharmaceutical company whose mission is to discover, develop and deliver innovative medicines that help patients prevail over serious diseases. For more information about Bristol-Myers Squibb, visit us at BMS.com or follow us on LinkedIn, Twitter, YouTube and Facebook.

Bristol-Myers Squibb Forward-Looking Statement

This press release contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995 regarding the research, development and commercialization of pharmaceutical products. Such forward-looking statements are based on current expectations and involve inherent risks and uncertainties, including factors that could delay, divert or change any of them, and could cause actual outcomes and results to differ materially from current expectations. No forward-looking statement can be guaranteed. Among other risks, there can be no guarantee that the collaboration with Nektar will progress as contemplated in this release or that NKTR-214, alone or in combination with Opdivo or Opdivo plus Yervoy will receive regulatory approval for the treatment of cancer. Forward-looking statements in this press release should be evaluated together with the many uncertainties that affect Bristol-Myers Squibb's business, particularly those identified in the cautionary factors discussion in Bristol-Myers Squibb's Annual Report on Form 10-K for the year ended December 31, 2017 in our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. Bristol-Myers Squibb undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

About Nektar Therapeutics

Nektar Therapeutics is a biopharmaceutical company with a robust, wholly-owned R&D pipeline of investigational medicines in oncology, immunology and pain as well as a portfolio of approved partnered medicines. Nektar is headquartered in San Francisco, California, with additional operations in Huntsville, Alabama and Hyderabad, India. Further information about the company and its drug development programs and capabilities may be found online at http://www.nektar.com.

Nektar Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements which can be identified by words such as: "anticipate," "intend," "plan," "expect," "believe," "should," "may," "will" and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding the therapeutic potential of NKTR-214, the therapeutic potential of NKTR-214 in combination with OPDIVO, the development plans and timing related to NKTR-214, and the potential of our technology and drug candidates in our research and development pipeline. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results to differ materially from those indicated in the forward-looking statements include, among others: (i) our statements regarding the therapeutic potential of NKTR-214 in combination with Opdivo are based on findings and observations from ongoing clinical studies and these finding and observations will evolve over time as more data emerges from the studies; (ii) NKTR-214 is in early-stage clinical development and the risk of failure remains high and failure can unexpectedly occur due to efficacy, safety, economic, commercial or other unpredictable factors; (iii) the timing of the commencement or end of clinical trials and the availability of clinical data may be delayed or unsuccessful due to regulatory delays, slower than anticipated patient enrollment, manufacturing challenges, changing standards of care, evolving regulatory requirements, clinical trial design, clinical outcomes, competitive factors, or delay or failure in ultimately obtaining regulatory approval in one or more important markets; (iv) scientific discovery of new medical breakthroughs is an inherently uncertain process and the future success of applying our technology platform to potential new drug candidates (such as NKTR-214) is therefore highly uncertain and unpredictable and one or more research and development programs could fail; (v) patents may not issue from our patent applications for our drug candidates including NKTR-214, patents that have issued may not be enforceable, or additional intellectual property licenses from third parties may be required; and (vi) certain other important risks and uncertainties set forth in our Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 8, 2017. Any forward-looking statement made by us in this press release is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

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1. Charych, D., et al., Cancer Res. 2013;73(8 Suppl):Abstract nr 482 and Data on file.
2. Hoch U, at al. AACR; Mol Cancer Ther. 2013;12(11 Suppl):Abstract nr B296.

Exhibit 31.1

CERTIFICATIONS

I, Howard W. Robin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nektar Therapeutics;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2018

/s/ HOWARD W. ROBIN
Howard W. Robin
Chief Executive Officer, President and Director

Exhibit 31.2

CERTIFICATIONS

I, Gil M. Labrucherie, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Nektar Therapeutics;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2018

/s/ GIL M. LABRUCHERIE

Gil M. Labrucherie
Senior Vice President and Chief Financial Officer

Exhibit 32.1

SECTION 1350 CERTIFICATIONS*

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Howard W. Robin, Chief Executive Officer, President and Director of Nektar Therapeutics (the "Company"), and Gil M. Labrucherie, Senior Vice President and Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the three months ended March 31, 2018, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 10, 2018

/s/ HOWARD W. ROBIN
Howard W. Robin
Chief Executive Officer, President and Director

/s/ GIL M. LABRUCHERIE
Gil M. Labrucherie
Senior Vice President and Chief Financial Officer

* This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.