As filed with the Securities and Exchange Commission on April 29, 2004
Registration No. 333-112261

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 4

TO

Form S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CYTOKINETICS, INCORPORATED

(Exact name of Registrant as specified in its charter)

Delaware	**2834**	**94-3291317**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

280 East Grand Avenue

South San Francisco, California 94080
(650) 624-3000
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

James H. Sabry, M.D., Ph.D.

President and Chief Executive Officer
Cytokinetics, Incorporated
280 East Grand Avenue
South San Francisco, California 94080
(650) 624-3000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Michael J. O'Donnell, Esq.
Martin J. Waters, Esq.
David B. Crawford, Esq.
Wilson Sonsini Goodrich & Rosati
Professional Corporation
650 Page Mill Road
Palo Alto, CA 94304
(650) 493-9300

Alan C. Mendelson, Esq.
Patrick A. Pohlen, Esq.
Latham & Watkins LLP
135 Commonwealth Drive
Menlo Park, CA 94025
(650) 328-4600

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. ☐

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission acting pursuant to said Section 8(a) may determine.

EXPLANATORY NOTE

Cytokinetics, Incorporated has prepared this Amendment No. 4 to the Registration Statement on Form S-1 (File No. 333-112261) for the purpose of filing certain exhibits to the Registration Statement. Amendment No. 4 does not modify any provision of the Prospectus constituting Part I of the Registration Statement or Items 13, 14, 15, or 17 of Part II of the Registration Statement. Accordingly, such Prospectus has not been included herein.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. ***Other Expenses of Issuance and Distribution.***

The following table sets forth the costs and expenses, other than the underwriting discounts, payable by the Registrant in connection with the sale of the securities being registered. All amounts are estimates except the SEC registration fee, the NASD filing fee and the Nasdaq/NMS listing fee.

SEC Registration Fee	$ 6,977.63
NASD Filing Fee	9,125.00
Nasdaq National Market Listing Fee	100,000.00
Printing Costs	275,000.00
Legal Fees and Expenses	750,000.00
Accounting Fees and Expenses	500,000.00
Blue Sky Fees and Expenses	10,000.00
Transfer Agent and Registrar Fees	25,000.00
Miscellaneous	200,000.00
Total	$1,666,102.63

Item 14. ***Indemnification of Directors and Officers.***

Section 145 of the Delaware General Corporation Law ("Section 145") permits indemnification of officers and directors of the Company under certain conditions and subject to certain limitations. Section 145 also provides that a corporation has the power to maintain insurance on behalf of its officers and directors against any liability asserted against such person and incurred by him or her in such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of Section 145.

Article IX of the Registrant's Bylaws provides for mandatory indemnification of its directors and officers and permissible indemnification of employees and other agents to the maximum extent not prohibited by the Delaware General Corporation Law. The rights to indemnity thereunder continue as to a person who has ceased to be a director, officer, employee or agent. In addition, expenses incurred by a director or executive officer in defending any civil, criminal, administrative or investigative action, suit or proceeding by reason of the fact that he or she is or was a director or officer of the Registrant (or was serving at the Registrant's request as a director or officer of another corporation) shall be paid by the Registrant in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Registrant as authorized by the relevant section of the Delaware General Corporation Law.

As permitted by Section 102(b)(7) of the Delaware General Corporation Law, the Registrant's Certificate of Incorporation provides that, pursuant to Delaware law, its directors shall not be

personally liable for monetary damages for breach of the directors' fiduciary duty as directors to the Registrant and its stockholders. This provision in the Certificate of Incorporation does not eliminate the directors' fiduciary duty, and in appropriate circumstances equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Delaware law. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to the Registrant for acts or omission not in good faith or involving international misconduct, for knowing violations of law, for actions leading to improper personal benefit to the director, and for payment of dividends or approval of Stock repurchases or redemptions that are unlawful under Section 174 of the Delaware General Corporation Law. The provision also does not affect a director's responsibilities under any other law, such as the federal securities laws or state or federal environmental laws.

The Registrant has entered into indemnification agreements with each of its directors and executive officers. Generally, the indemnification agreements attempt to provide the maximum protection permitted by Delaware law as it may be amended from time to time. Moreover, the indemnification agreements provide for certain additional indemnification. Under such additional indemnification provisions, however, an individual will not receive indemnification for judgments, settlements or expenses if he or she is found liable to the Registrant (except to the extent the court determines he or she is fairly and reasonably entitled to indemnity for expenses), for settlements not approved by the Registrant or for settlements and expenses if the settlement is not approved by the court. The indemnification agreements provide for the Registrant to advance to the individual any and all reasonable expenses (including legal fees and expenses) incurred in investigating or defending any such action, suit or proceeding. In order to receive an advance of expenses, the individual must submit to the Registrant copies of invoices presented to him or her for such expenses. Also, the individual must repay such advances upon a final judicial decision that he or she is not entitled to indemnification.

The Registrant intends to enter into additional indemnification agreements with each of its directors and executive officers to effectuate these indemnity provisions and to purchase directors' and officers' liability insurance.

In addition to the foregoing, the Underwriting Agreement contains certain provisions by which the Underwriters have agreed to indemnify the Registrant, each person, if any, who controls the Registrant within the meaning of Section 15 of the Securities Act, each director of the Registrant, each officer of the Registrant who signs the Registration Statement, with respect to information furnished in writing by or on behalf of the Underwriters for use in the Registration Statement.

At present, there is no pending litigation or proceeding involving a director, officer, employee or other agent of the Registrant in which indemnification is being sought, nor is the Registrant aware of any threatened litigation that may result in a claim for indemnification by any director, officer, employee or other agent of the Registrant.

Item 15. ***Recent Sales of Unregistered Securities.***

Since December 31, 2000, we have sold and issued the following securities:

Preferred Stock

(1) In July 2001, we sold an aggregate of 2,333,334 shares of our Series D preferred stock to an investor at a price of $6.00 per share for an aggregate purchase price of $14,000,004 (which will convert into 1,204,149 shares of common stock upon the consummation of this offering, as adjusted to reflect the 1-for-2 reverse stock split).

(2) In March and April 2003, we sold an aggregate of 8,015,449 shares of our Series E preferred stock to investors at a price of $5.00 per share for an aggregate purchase price of $40,077,245 (which will convert into 4,007,722 shares of common stock upon the consummation of this offering, as adjusted to reflect the 1-for-2 reverse stock split).

The sales of the above securities were deemed to be exempt from registration in reliance on Section 4(2) of the Securities Act or Regulation D promulgated thereunder as transactions by an issuer not involving any public offering. All recipients were either accredited or sophisticated investors, as those terms are defined in the Securities Act and the regulations promulgated thereunder. The recipients of securities in each such transaction represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the share certificates and other instruments issued in such transactions. All recipients either received adequate information about us or had access, through employment or other relationships, to such information.

Stock Options and Stock Purchase Rights

(1) From December 31, 2000 through January 15, 2004, we granted stock options and stock purchase rights to acquire an aggregate of 2,136,644 shares of our common stock at prices ranging from $1.00 to $2.00 per share to employees, consultants and directors pursuant to our 1997 Stock Option/ Stock Issuance Plan.

(2) From December 31, 2000 through January 15, 2004, we issued an aggregate of 736,285 shares of our common stock to employees, consultants and directors pursuant to the exercise of stock options and stock purchase rights under our 1997 Stock Option/ Stock Issuance Plan, for aggregate consideration of $671,460.

The sales of the above securities were deemed to be exempt from registration in reliance on Rule 701 promulgated under Section 3(b) under the Securities Act as transactions pursuant to a compensatory benefit plan or a written contract relating to compensation.

Item 16. ***Exhibits and Financial Statement Schedules***

(a) Exhibits

Exhibit Number	Description
1.1†	Form of Underwriting Agreement.
3.1†	Form of Amended and Restated Certificate of Incorporation of the Registrant to be filed after the closing of the offering made under this Registration Statement.
3.2†	Form of Amended and Restated Bylaws of the Registrant to be in effect after the closing of the offering made under this Registration Statement.
4.1†	Specimen Common Stock Certificate.
4.2†	Fourth Amended and Restated Investors Rights Agreement, dated March 21, 2003, by and among the Registrant and certain stockholders of the Registrant.
4.3†	Loan and Security Agreement, dated September 25, 1998, by and between the Registrant and Comdisco.
4.4†	Amendment No. One to Loan and Security Agreement, dated February 1, 1999.
4.5†	Warrant for the purchase of shares of Series A preferred stock, dated September 25, 1998, issued by the Registrant to Comdisco.
4.6†	Loan and Security Agreement, dated December 16, 1999, by and between the Registrant and Comdisco
4.7†	Amendment No. 1 to Loan and Security Agreement, dated June 29, 2000, by and between the Registrant and Comdisco.
4.8†	Warrant for the purchase of shares of Series B preferred stock, dated December 16, 1999, issued by the Registrant to Comdisco.
4.9†	Master Security Agreement, dated February 2, 2001, by and between the Registrant and General Electric Capital Corporation.

Exhibit Number	Description
4.10†	Cross-Collateral and Cross-Default Agreement by and between the Registrant and Comdisco.
4.11†	Warrant for the purchase of shares of common stock, dated July 20, 1999, issued by the Registrant to Bristow Investments, L.P.
4.12†	Warrant for the purchase of shares of common stock, dated July 20, 1999, issued by the Registrant to the Laurence and Magdalena Shushan Family Trust.
4.13†	Warrant for the purchase of shares of common stock, dated July 20, 1999, issued by the Registrant to Slough Estates USA Inc.
4.14†	Warrant for the purchase of shares of Series B preferred stock, dated August 30, 1999, issued by the Registrant to The Magnum Trust.
5.1†	Opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation
10.1†	Form of Indemnification Agreement between the Registrant and each of its directors and officers.
10.2†	1997 Stock Option/ Stock Issuance Plan.
10.3†	2004 Equity Incentive Plan.
10.4†	2004 Employee Stock Purchase Plan.
10.5†	Build-to-Suit Lease, dated May 27, 1997, by and between Britannia Pointe Grand Limited Partnership and Metaxen, LLC.
10.6†	First Amendment to Lease, dated April 13, 1998, by and between Britannia Pointe Grand Limited Partnership and Metaxen, LLC.
10.7†	Sublease Agreement, dated May 1, 1998, by and between the Registrant and Metaxen LLC.
10.8†	Sublease Agreement, dated March 1, 1999, by and between Metaxen, LLC and Exelixis Pharmaceuticals, Inc.
10.9†	Assignment and Assumption Agreement and Consent, dated July 11, 1999, by and among Exelixis Pharmaceuticals, Metaxen, LLC, Xenova Group PLC and Britannia Pointe Grande Limited Partnership.
10.10†	Second Amendment to Lease, dated July 11, 1999, by and between Britannia Pointe Grand Limited Partnership and Exelixis Pharmaceuticals, Inc.
10.11†	First Amendment to Sublease Agreement, dated July 20, 1999, by and between the Registrant and Metaxen.
10.12†	Agreement and Consent, dated July 20, 1999, by and among Exelixis Pharmaceuticals, Inc., the Registrant and Britannia Pointe Grand Limited Partnership.
10.13†	Amendment to Agreement and Consent, dated July 31, 2000, by and between the Registrant, Exelixis, Inc., and Britannia Pointe Grande Limited Partnership.
10.14†	Assignment and Assumption of Lease, dated September 28, 2000, by and between Exelixis, Inc. and the Registrant.
10.15†	Sublease Agreement, dated September 28, 2000, by and between the Registrant and Exelixis, Inc.
10.16†	Sublease Agreement, dated December 29, 1999, by and between the Registrant and COR Therapeutics, Inc.
10.17(1)	Collaboration and License Agreement, dated June 20, 2001, by and between the Registrant and Glaxo Group Limited.
10.18(1)†	Memorandum, dated June 20, 2001, by and between the Registrant and Glaxo Group Limited.
10.19(1)	Letter Amendment to Collaboration Agreement, dated October 28, 2002, by and between the Registrant and Glaxo Group Limited.
10.20(1)	Letter Amendment to Collaboration Agreement, dated November 5, 2002, by and between the Registrant and Glaxo Group Limited.

Exhibit Number	Description
10.21(1)	Letter Amendment to Collaboration Agreement, dated December 13, 2002, by and between the Registrant and Glaxo Group Limited.
10.22(1)	Letter Amendment to Collaboration Agreement, dated July 11, 2003, by and between the Registrant and Glaxo Group Limited.
10.23(1)	Letter Amendment to Collaboration Agreement, dated July 28, 2003, by and between the Registrant and Glaxo Group Limited.
10.24(1)	Letter Amendment to Collaboration Agreement, dated July 28, 2003, by and between the Registrant and Glaxo Group Limited.
10.25(1)	Letter Amendment to Collaboration Agreement, dated July 28, 2003, by and between the Registrant and Glaxo Group Limited.
10.26†	Series D Preferred Stock Purchase Agreement, dated June 20, 2001, by and between the Registrant and Glaxo Wellcome International B.V.
10.27†	Amendment No. 1 to Series D Preferred Stock Purchase Agreement, dated April 2, 2003, by and among the Registrant, Glaxo Wellcome International B.V. and Glaxo Group Limited.
10.28(1)†	Exclusive License Agreement between The Board of Trustees of the Leland Stanford Junior University, The Regents of the University of California, and the Registrant dated April 21, 1998.
10.29†	Modification Agreement between The Regents of the University of California, The Board of Trustees of the Leland Stanford Junior University and the Registrant, dated September 1, 2000.
10.30(1)	Collaboration and License Agreement, dated December 15, 2003, by and between AstraZeneca AB and the Registrant.
10.31(1)†	Collaboration Agreement, dated December 28, 2001, by and between Exelixis, Inc. and the Registrant.
10.32(1)†	First Letter Amendment of Collaboration Agreement, dated April 10, 2003, by and between Exelixis, Inc. and the Registrant.
10.33†	Robert I. Blum Promissory Note, dated July 12, 2002.
10.34†	David J. Morgans and Sandra Morgans Promissory Note, dated May 20, 2002.
10.35†	David J. Morgans and Sandra Morgans Promissory Note, dated October 18, 2000.
10.36†	David J. Morgans Promissory Note, dated July 12, 2002.
10.37†	Jay K. Trautman Promissory Note, dated July 12, 2002.
10.38†	James H. Sabry and Sandra J. Spence Promissory Note, dated November 12, 2001.
10.39†	Robert I. Blum Cash Bonus Agreement, dated September 1, 2002.
10.40†	Robert I. Blum Amended and Restated Cash Bonus Agreement, dated December 1, 2003.
10.41†	David J. Morgans Cash Bonus Agreement, dated September 1, 2002.
10.42†	David J. Morgans Amended and Restated Cash Bonus Agreement, dated December 1, 2003.
10.43†	Jay K. Trautman Cash Bonus Agreement, dated September 1, 2002.
10.44†	Jay K. Trautman Amended and Restated Cash Bonus Agreement, dated December 1, 2003.
10.45†	Common Stock Purchase Agreement, dated March 10, 2004, by and between the Registrant and Glaxo Group Limited.
23.1	Consent of PricewaterhouseCoopers LLP, Independent Accountants.
23.2†	Consent of Counsel (included in Exhibit 5.1).
24.1†	Power of Attorney (see Page II-7 of the original filing).

† Previously filed.

(1) Pursuant to a request for confidential treatment, portions of the Exhibit have been redacted from the publicly filed document and have been furnished separately to the SEC as required by Rule 406 under the Securities Act.

(b) *Financial statement schedules*

REPORT OF INDEPENDENT AUDITORS ON FINANCIAL STATEMENT SCHEDULE

To the Board of Directors of Cytokinetics, Incorporated:

Our audits of the financial statements referred to in our report dated March 10, 2004, except for Note 13, as to which the date is April 26, 2004, appearing in Amendment No. 3 to the Registration Statement on Form S-1 of Cytokinetics, Incorporated also included an audit of the Schedule II, Valuation and Qualifying Accounts, in this Form S-1. In our opinion, the financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related financial statements.

/s/ PRICEWATERHOUSECOOPERS LLP

San Jose, California

March 10, 2004

Schedule II

CYTOKINETICS, INCORPORATED

VALUATION AND QUALIFYING ACCOUNTS

	Balance at Beginning of Period	Additions (reductions) to Costs and Expenses	Write-offs	Balance at End of Period
Allowance for doubtful accounts:				
Year ended December 31, 2001	$ —	$ 386	$ —	$ 386
Year ended December 31, 2002	386	(195)	(191)	—
Year ended December 31, 2003	$ —	$ —	$ —	$ —

All other financial statement schedules have been omitted because the information required to be set forth herein is not applicable or is shown either in the financial statements or the notes thereto.

Item 17. ***Undertakings.***

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of South San Francisco, state of California, on April 29, 2004.

CYTOKINETICS, INCORPORATED

By: /s/ JAMES H. SABRY, M.D., PH.D.

James H. Sabry, M.D., Ph.D.
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
/s/ JAMES H. SABRY, M.D., PH.D. James H. Sabry, M.D., Ph.D.	Director, President and Chief Executive Officer *(Principal Executive Officer)*	April 29, 2004
/s/ ROBERT I. BLUM Robert I. Blum	Executive Vice President, Finance & Corporate Development and Chief Financial Officer *(Principal Financial and Accounting Officer)*	April 29, 2004
* Stephen Dow	Director	April 29, 2004
* A. Grant Heidrich, III	Director	April 29, 2004
* Charles Homcy, M.D.	Director	April 29, 2004
* William J. Rutter, Ph.D.	Director	April 29, 2004
* Michael Schmertzler	Director	April 29, 2004
* James A. Spudich, Ph.D.	Director	April 29, 2004
By: /s/ JAMES H. SABRY, M.D., PH.D. James H. Sabry, M.D., Ph.D. Attorney-in-Fact		

EXHIBIT INDEX

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23.1	Consent of PricewaterhouseCoopers LLP, Independent Accountants.
23.2†	Consent of Counsel (included in Exhibit 5.1).
24.1†	Power of Attorney (see Page II-7 of the original filing).

† Previously filed.

(1) Pursuant to a request for confidential treatment, portions of the Exhibit have been redacted from the publicly filed document and have been furnished separately to the SEC as required by Rule 406 under the Securities Act.

EXHIBIT 10.17

[*] CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 OF THE SECURITIES EXCHANGE ACT OF 1933, AS AMENDED.

COLLABORATION AND LICENSE AGREEMENT

THIS COLLABORATION AND LICENSE AGREEMENT (the "Agreement") is made effective as of the 20th day of June, 2001 ("Effective Date") by and between Cytokinetics, Inc., a Delaware corporation ("CK") and Glaxo Group Limited, a GlaxoSmithKline company, a United Kingdom corporation ("GSK"). CK and GSK are each referred to herein by name or as a "Party" or, collectively, as "Parties".

RECITALS

A. CK has developed certain proprietary technology related to KSP (as defined below) and other human mitotic kinesins, which are potential targets for the discovery and development of pharmaceutical products for the treatment, prophylaxis and diagnosis of cancer and other diseases and conditions in humans. As a result of its on-going research, CK has established a leadership position in the field of human mitotic kinesins.

B. CK is the owner of all right, title and interest in, or otherwise controls, certain CK Patents (as defined below) hereto, and CK Know-How (as defined below) relating to KSP and certain novel targets and compounds having activity against human mitotic kinesins.

C. GSK possesses pharmaceutical research, development, manufacturing and commercialization capabilities, as well as proprietary technology in a broad range of therapeutic fields. GSK desires to engage in collaborative research with CK to discover, develop, make, market and sell worldwide pharmaceutical products directed to human mitotic kinesins.

D. In addition, CK has identified certain novel, proprietary compounds having activity against human mitotic kinesins, including that certain compound designated as [*], which CK is pursuing as a development compound for cancer and for which CK has commenced preclinical development activities. GSK is interested, subject to Section 2.5 below, in developing certain of the compounds identified by CK, and, subject to Section 3.1.1 below, intends to consider [*] as a potential Development Compound (as defined below) after the Effective Date.

E. CK desires to grant to GSK, and GSK desires to obtain, an exclusive license throughout the world under this Agreement to discover, develop, make, have made, market and sell certain Licensed Products (as defined below) throughout the world under the aforesaid CK Patents and CK Know-How.

F. Contemporaneously with the execution of this Agreement, the Parties have executed a Stock Purchase Agreement under which GSK shall purchase preferred stock of CK at the Closing of the transactions (as defined below).

Now, therefore, in consideration of the premises and mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

ARTICLE I - DEFINITIONS

The following terms shall have the following meanings as used in this Agreement:

1.1 "ABANDONED PRODUCT" shall have the meaning ascribed to it in Section

4.5.4.

1.2 "AFFILIATE" shall mean any corporation or other entity which is directly or indirectly controlling, controlled by or under common control of a Party hereto for so long as such control exists. For the purposes of this Section 1.2, "control" shall mean the direct or indirect ownership of at least fifty percent (50%) of the outstanding shares or other voting rights of the subject entity having the power to vote on or direct the affairs of the entity, or if not meeting the preceding, the maximum voting right that may be held by the particular Party under the laws of the country where such entity exists.

1.3 "CK" shall mean CK and any Affiliate of CK.

1.4 "CK EXISTING TECHNOLOGY" shall mean, subject to Sections 5.2.2(a) and 5.5 below, CK Patents and CK Know-How, other than Collaboration Technology and Post-Collaboration Technology, Controlled by CK, and created, prior to the Effective Date or prior to the end of the Exclusivity Period that are reasonably necessary or useful for the Parties to conduct their respective activities under the Research Program and for GSK to develop, make, have made, use, import, offer to sell and sell Compounds, Development Compounds or Licensed Products in the Field. Notwithstanding the foregoing, a CK Library Compound and CK Patents and CK Know-How with respect thereto shall be deemed to be CK Existing Technology only to the extent provided in Section 5.2.2 below.

1.5 "CK COMPOUND" shall mean, except as otherwise provided herein, a chemical entity that meets the Compound Criteria for a CK Target, which is identified by CK using CK Existing Technology, GSK Existing Technology, Collaboration Technology, and/or Post-Collaboration Technology prior to or during the Exclusivity Period. Any such chemical entity shall not be subject to development as a Compound in accordance with Section 2.7 of this Agreement, and GSK is not obligated to conduct any research or development activities with respect thereto. Notwithstanding the foregoing:

(a) A chemical entity that meets the Compound Criteria for a CK Target and which is identified by CK after the end of the Exclusivity Period shall also be a CK Compound, if such chemical entity was derived from a compound within the GSK Existing Technology, Collaboration Technology or Post-Collaboration Technology or from a GSK Library Compound licensed to CK under Section 5.3.2 below.

(b) Except as provided in Section 5.6, in the event that a Mitotic Kinesin Target becomes a CK Target (i.e., in the events provided in this Agreement), any chemical entity that had been identified as a Compound with respect to such Mitotic Kinesin Target prior to the time such Mitotic Kinesin Target becomes a CK Target shall be deemed a CK Compound, except as provided in Section 1.5(c) below.

(c) A GSK Library Compound shall be deemed a CK Compound only to the extent that it is GSK Existing Technology, as provided in Section 5.3.2 below.

1.6 "CK KNOW-HOW" shall mean Information that (a) CK discloses to GSK under this Agreement or under the Non-Disclosure Agreement executed by CK and GSK dated May 18, 2000, as amended and (b) is within the Control of CK. Notwithstanding anything herein to the contrary, CK Know-How excludes published CK Patents.

1.7 "CK LIBRARY COMPOUND" shall mean a chemical entity (i) that is Controlled by CK as of the Effective Date, but which CK has not identified as meeting the Compound Criteria or criteria similar to the Compound Criteria for a Mitotic Kinesin Target as of the Effective Date, or (ii) which is developed or acquired by CK outside of the Research Program with no use of GSK Existing Technology or GSK Library Compounds, Collaboration Technology or Post-Collaboration Technology, and, during the Exclusivity Period or any Extension Period, in activities not directed to the discovery, development, manufacture or use of Mitotic Kinesin Targets or inhibitors of such Mitotic Kinesin Targets. It is understood that the term CK Library Compound shall include both chemical entities that have actually been synthesized as well as those that have not been synthesized but that are claimed in a CK Patent, so

long as the conception and reduction to practice of such chemical entity were made in the manner described in clause (ii) above.

1.8 "CK PATENTS" shall mean all Patents in the Territory owned or Controlled by CK, including, without limitation, those provided to GSK under the Non-Disclosure Agreement executed by CK and GSK dated May 18, 2000, as amended. CK shall update GSK regarding any CK Patents within the Licensed Technology (i) on an annual basis commencing after the Effective Date in accordance with Section 2.4 below, and (ii) upon request by GSK after the end of the Research Term, with respect to CK Patents to which GSK retains a license hereunder.

1.9 "CK PRODUCT" shall mean pharmaceutical preparations for human use, incorporating a CK Compound as one of or its main active ingredient.

1.10 "CK TARGET" shall mean those Mitotic Kinesin Targets designated as CK Targets in accordance with Section 2.7 or another provision of this Agreement.

1.11 "CO-FUNDING OPTION" shall mean the option of CK to fund a portion of the Later Stage Development Costs of a Licensed Product as provided in Section 3.4.

1.12 "COLLABORATION TARGET" shall mean those Mitotic Kinesin Targets that are selected as Collaboration Targets in accordance with Section 2.7 or Section 2.8, except as otherwise provided in this Agreement.

1.13 "COLLABORATION TECHNOLOGY" shall mean, subject to Sections 5.2.2, 5.3.2 and 5.5 below, all inventions and Information, invented, conceived or created solely or jointly by employees, agents or consultants of GSK and/or CK in the course of performing their respective activities in connection with the Research Program, or their activities specifically directed to the research, development, manufacture or use of Compounds, Development Compounds or Licensed Products, in

each case during the Research Term. Collaboration Technology shall include all CK Patents and GSK Patents in and to any inventions described in this Section 1.13.

1.14 "COMBINATION PRODUCT" shall mean a Licensed Product that is a pharmaceutical preparation for human use incorporating two or more therapeutically active ingredients, including a Development Compound, as its main active ingredients. Notwithstanding the foregoing, drug delivery vehicles, adjuvants, and excipients shall not be deemed to be "therapeutically active ingredients," and their presence shall not be deemed to create a Combination Product under this Section 1.14.

1.15 "COMPLETION OF SCREENING" shall mean the date on which the screenings described in Section 2.7.1 have been completed, in accordance with the criteria set forth in Section 2.7.4.

1.16 "COMPOUND" shall mean, except as otherwise provided herein, a chemical entity that meets the Compound Criteria for a Mitotic Kinesin Target, which chemical entity (i) is discovered, synthesized or identified by CK or GSK using CK Existing Technology, GSK Existing Technology, Collaboration Technology, and/or Post-Collaboration Technology prior to, during, or, in the case of GSK (subject to (a) below), after the Exclusivity Period or any Extension Period, and which, (ii) at GSK's discretion, may be subject to development as a Development Compound under Section 2.5 of this Agreement. Notwithstanding the foregoing:

(a) A chemical entity that is first identified by GSK after the end of the Exclusivity Period, or after any Extension Period under Section 4.2.2 below (whichever is later), shall not be deemed a Compound unless such chemical entity was discovered, synthesized or identified using CK Existing Technology, Collaboration Technology or Post-Collaboration Technology.

(b) Those chemical entities Controlled by a Party prior to the Effective Date, which such Party identified as meeting the Compound Criteria (or criteria substantially similar to the Compound Criteria) as of the Effective

Date, shall also be deemed Compounds for all purposes of this Agreement. In the case of CK, these compounds shall include certain of those compounds that are referred to by CK as the "Series [*] Compounds," as well as certain other compounds, that CK has so identified as meeting the Compound Criteria (or such substantially similar criteria) prior to the Effective Date.

(c) Notwithstanding (b) above, at such time as a chemical entity becomes a CK Compound, the same shall be deemed excluded from the definition of Compounds under this Section 1.16 for all purposes (including, without limitation, for purposes of Sections 1.21 and 1.44).

(d) For purposes of clarity, a compound developed by either Party outside the Research Plan and provided for screening or other use under this Agreement shall not be deemed a Compound unless and until such compound is shown to meet the Compound Criteria.

1.17 "COMPOUND CRITERIA" shall mean (i) those criteria set forth in Exhibit 1.17, and (ii) such other criteria as are approved by the JRC and agreed in writing by the Parties. No criteria shall be deemed Compound Criteria under (ii) unless such criteria are formally approved by the JRC

and agreed in writing by the Parties, regardless of whether such criteria are used informally or discussed by the Parties in the course of the Research Program.

1.18 "CONTRACT YEAR" shall mean a year of 365 days (or 366 days in a leap year) beginning on the Effective Date and ending one (1) year thereafter and so on year-by-year. "CONTRACT YEAR ONE" shall mean the first such year; "CONTRACT YEAR TWO" shall mean the second such year, and so on, year-by-year.

1.19 "CONTROL," "CONTROLS," "CONTROLLED" or "CONTROLLING" shall mean possession of the ability to grant the licenses or sublicenses as provided herein without violating the terms of any agreement or other arrangements with any Third Party.

1.20 "CYTOMETRIX(TM) TECHNOLOGY" shall mean that certain subject matter as further described in CK publication "Cytometrix(TM) Cellular Phenotyping Technologies Version 0.5 Development Partner Program" (publication February 2001), and modifications, improvements, extensions or derivatives to such automated cell biology platform.

1.21 "DEVELOPMENT COMPOUND" shall mean a Compound that is designated for product development, in accordance with Section 2.5 below.

1.22 "DEVELOPMENT MILESTONE" shall mean a milestone described in Section 6.4.

1.23 "DEVELOPMENT PLAN" shall mean the workplan with respect to the development of a Development Compound as set forth in Section 3.2.

1.24 "EFFECTIVE DATE" shall mean the date first written above.

1.25 "EXCLUSIVITY PERIOD" shall mean the period of time commencing with the Effective Date and ending upon the first anniversary of the end of the Research Term and any extensions thereto under Section 2.8.

1.26 "EXTENSION PERIOD" shall mean a one-year period during which GSK has extended its exclusivity with respect to a particular Collaboration Target or Extendable Unselected Target, in accordance with Section 4.2.2.

1.27 "EXTENDED TARGET" and "EXTENDABLE UNSELECTED TARGET" shall have the meanings set forth in 4.2.2.

1.28 "FDA" shall mean, with respect to the United States, the U.S. Food and Drug Administration, any successor entity thereto, or any equivalent foreign regulatory authority(ies) in the particular country of the Territory.

1.29 "FIELD" shall mean, subject to Section 2.6.4, (i) the therapeutic or prophylactic treatment of cancer and other diseases and conditions in humans through the use of a Licensed Product; and (ii) diagnosis of the genotype or phenotype of a patient, including the prediction of the patient's response (e.g., increased or decreased efficacy or undesired side effects) to administration of a Licensed Product, for the selection of a Licensed Product(s) to be used for the therapeutic or prophylactic treatment of cancer and other diseases and

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conditions in a human patient. All other uses not specifically set forth in (i) or (ii) above are excluded from the Field.

1.30 "FTE" shall mean a full-time person employed by CK, or by a Third Party pursuant to Section 6.2.2, dedicated full-time to the Research Program, or in the case of less than a full-time dedicated person, a full-time, equivalent person year, based upon a total of one thousand eight hundred eighty (1,880) hours per year of work on the Research Program.

1.31 "GSK" shall mean GSK and any Affiliate of GSK.

1.32 "GSK EXISTING TECHNOLOGY" shall mean, subject to Section 5.3.2 below, GSK Patents and GSK Know-How, other than Collaboration Technology and Post-Collaboration Technology, Controlled by GSK, and created, prior to the end of the Exclusivity Period or any Extension Period under Section 4.2.2 below, that: (i) are reasonably necessary for the discovery, development, manufacture, use or sale of Compounds, Development Compounds, Licensed Products, or (ii) GSK has utilized or incorporated in connection with its activities under the Research Program or the development, manufacture, use or sale of Compounds, Development Compounds or Licensed Products. In addition, GSK Existing Technology shall be subject to the following:

(a) Notwithstanding (i) and (ii) above, a GSK Library Compound and GSK Patents and GSK Know-How with respect thereto shall be deemed GSK Existing Technology only to the extent provided in Section 5.3.2 below.

(b) Notwithstanding (i) above, in the event a Compound, Development Compound or Licensed Product becomes a CK Compound or CK Product, or a Mitotic Kinesin Target is designated a CK Target, then with respect to such CK Compound, CK Product or CK Target (and any other CK Compounds and CK Products directed to such CK Target), the GSK Existing Technology within (i) and (ii) above shall include only subject matter that was (x) identified as reasonably necessary for the discovery, development, manufacture, use or sale of such CK Compound or CK Product, or (y) used or applied at least in part to such CK Compound, CK Product or CK Target, each prior to its being designated as such. Accordingly, for example, a drug delivery technology that had not been applied to a Compound prior to its becoming a CK Compound shall not later become GSK Existing Technology with respect to such CK Compound (or a CK Product incorporating such CK Compound) regardless of whether such GSK drug delivery technology is reasonably necessary to commercialize such CK Compound.

1.33 "GSK KNOW-HOW" shall mean Information which (a) GSK discloses to CK under this Agreement or under the Non-Disclosure Agreement executed by CK and GSK dated May 18, 2000, as amended and (b) is within the Control of GSK. Notwithstanding anything herein to the contrary, GSK Know-How excludes published GSK Patents.

1.34 "GSK LIBRARY COMPOUND" shall mean a chemical entity (i) that is Controlled by GSK as of the Effective Date, or (ii) which is developed or acquired by GSK outside of the Research Program with no use of CK Existing Technology or CK Library Compounds, Collaboration Technology or Post-Collaboration Technology, and, during the Exclusivity Period or any Extension Period, in activities not directed to the discovery, development, manufacture or use of Mitotic

Kinesin Targets or inhibitors of such Mitotic Kinesin Targets. It is understood that the term "GSK Library Compound" shall include both chemical entities that have actually been synthesized as well as those that have not been synthesized but that are claimed in a GSK Patent, so long as the conception and reduction to practice of such chemical entity were made in the manner described in clause (ii) above.

1.35 "GSK PATENTS" shall mean all Patents in the Territory owned or Controlled by GSK. GSK shall update CK regarding any GSK Patents within the Licensed Technology (i) on an annual basis commencing after the Effective Date in accordance with Section 2.4 below, and (ii) upon request by CK after the end of the Research Term, with respect to GSK Patents to which CK retains a license hereunder.

1.36 "IND" shall mean any investigational new drug application filed with the FDA as more fully defined in 21 C.F.R. Section 312.3 or its equivalent in any country.

1.37 "IND ENABLING STUDIES" shall mean studies which are specifically required for an IND, including without limitation, ADME and GLP toxicology studies, or studies required for the preparation of the CMC section of an IND including studies relating to analytical methods and purity analysis, and formulation and manufacturing development studies, all as necessary to obtain the permission of regulatory authorities to begin human clinical testing.

1.38 "INFORMATION" shall mean information and materials relating to the subject matter of this Agreement and including (i) techniques and data, including, but not limited to, screens, models, inventions, methods, test data, including but not limited to, pharmacological, toxicological and clinical test data, analytical and quality control data, marketing, pricing, distribution, costs, and sales data, manufacturing information, and patent and legal data or descriptions (to the extent that disclosure thereof would not result in loss or waiver of privilege or similar protection) and (ii) compositions of matter, including but not limited to compounds, biological materials and assays. As used herein, "clinical test data" shall be deemed to include all information related to the clinical or preclinical testing of a Compound, Development Compound, CK Compound, Licensed Product or CK Product, including without limitation, patient report forms, investigators' reports, biostatistical, pharmaco-economic and other related analyses, regulatory filings and communications, and the like.

1.39 "JOINT RESEARCH COMMITTEE" (or "JRC"), "JOINT DEVELOPMENT COMMITTEE" (or "JDC"), "JOINT COMMERCIALIZATION COMMITTEE" (or "JCC") and "JOINT STEERING COMMITTEE" (or "JSC") shall mean the committees established under Sections 2.2, 3.5, 7.2 and 12.2, respectively.

1.40 "KSP" shall mean any protein expressed by the human gene located at the locus [*].

1.41 "LATER STAGE DEVELOPMENT" and "LATER STAGE DEVELOPMENT COSTS" shall have the meanings defined in Sections 3.4.3(a) and 3.4.3(c), respectively.

1.42 "LEAD TARGET" shall mean a Mitotic Kinesin Target identified in accordance with the procedures set forth in Section 2.7.

1.43 "LEAD TARGET SELECTION DATE" shall mean the date set forth in Section 2.7.1.

1.44 "LICENSED PRODUCT" shall mean a pharmaceutical preparation for human use incorporating a Development Compound as one of or its main active ingredient or designated as such under Section 4.5.2.

1.45 "LICENSED TECHNOLOGY" shall mean CK Existing Technology; GSK Existing Technology; Collaboration Technology; and Post-Collaboration Technology.

1.46 "MAJOR EUROPEAN COUNTRY" shall mean France, Germany, Italy, Spain, or the United Kingdom.

1.47 "MARKETING APPROVAL" shall mean all approvals, licenses, registrations or authorizations of any federal, state or local regulatory agency, department, bureau or other governmental entity, necessary for the manufacturing, use, storage, import, transport and sale of Licensed Products in a regulatory jurisdiction. Marketing Approval shall be deemed to occur upon first receipt of notice from the FDA, EMEA or similar agency that sale of a Licensed Product has been approved. For countries where governmental approval is required for pricing or reimbursement for the Licensed Product to be reimbursed by national health insurance (i.e., other than the United States), "Marketing Approval" shall not be deemed to occur until such pricing or reimbursement approval is obtained; provided, that if a Party has not accepted the pricing or reimbursement offered by the governmental authority of a particular country within eighteen (18) months after the date the first MAA is approved in such country, then the Party shall continue to use diligent efforts to obtain such pricing or reimbursement. Marketing Approval shall be deemed to have occurred in such country where government approval of pricing has not been obtained if, at any time, the Party begins the commercial sale of such Licensed Product in the country without obtaining pricing approval, with the date of MAA approval to occur on the date of the first commercial sale of the Licensed Product in the country.

1.48 "MARKETING APPROVAL APPLICATION" or "MAA" shall mean a New Drug Application (as defined in 21 C.F.R.Section 314.50 et. seq.), or a comparable filing for Marketing Approval (not including pricing or reimbursement approval) in a country, in each case with respect to a Licensed Product in the Territory.

1.49 "MITOTIC KINESIN TARGET" shall mean (i) the human kinesin motor proteins KSP; [*]; and (ii) those other human proteins which are kinesin motor proteins which are discovered or acquired by either Party prior to the [*] anniversary of the end of the Research Term, excluding any extension thereof under Section 2.8, and which meet the criteria set forth in a separate written memorandum signed by both Parties expressly referencing this Section 1.49.

1.50 "NET SALES" shall mean the gross invoice price by GSK or its Affiliates or Sublicensees, as the case may be, for all Licensed Products sold by GSK, its Affiliates or Sublicensees ("Selling Party"), in finished product form, packaged and labeled for sale, under this Agreement in arm's length sales to Third Parties less deductions allowed to the Third Party customer by the Selling Party, to the extent actually taken by such Third Party customer, on such sales for:

(a) trade, quantity, and cash discounts;

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(b) credits, rebates and chargebacks (including those to managed-care entities and government agencies), and allowances or credits to customers on account of rejection or returns (including, but not limited to, wholesaler and retailer returns) or on account of retroactive price reductions affecting such Licensed Product;

(c) freight, postage and duties, and transportation charges relating to Licensed Product, including handling and insurance thereto; and

(d) sales (such as VAT or its equivalent) and excise taxes, other consumption taxes, customs duties and compulsory payments to governmental authorities and any other governmental charges imposed upon the importation, use or sale of such Licensed Product to Third Parties.

Sales between GSK and its Affiliates or Sublicensees shall be excluded from the computation of Net Sales and no payments will be payable on such sales except where such Affiliates or Sublicensees are end users. In addition, the Selling Party may exclude from Net Sales a reasonable provision for

uncollectible accounts, to the extent such reserve is determined in accordance with U.S. generally accepted accounting standards, consistently applied across all product lines of the particular Party, until such amounts are actually collected.

In the event a Licensed Product is sold which is a Combination Product under Section 1.14, for purposes of determining payments due CK under Section 4.5.2(b) and (d) or Section 6.6, Net Sales of Combination Products shall be calculated by multiplying the Net Sales of the Combination Product by the fraction A over A+B, in which A is the Gross Selling Price of the Licensed Product when such Product is sold in substantial quantities comprising a Development Compound as the sole therapeutically active ingredient during the applicable accounting period in which the sales of the Licensed Product were made, and B is the Gross Selling Price of the other therapeutically active ingredients contained in the Combination Product sold separately in substantial quantities during the accounting period in question. All Gross Selling Prices of the therapeutically active ingredients of the Licensed and Combination Products shall be calculated as the average Gross Selling Price of the therapeutically active ingredients in such Products during the applicable accounting period for which the Net Sales are being calculated. In the event that no separate sale of either the Licensed Product comprising a single Development Compound as the sole therapeutically active ingredient or the other therapeutically active ingredients of the Combination Product are made during the accounting period in which the sale was made or if the Gross Selling Price for a particular therapeutically active ingredient cannot be determined for an accounting period, Net Sales allocable to the Licensed Product and Combination Product shall be determined by mutual agreement reached in good faith by the Parties prior to the end of the accounting period in question based on an equitable method of determining same that takes into account, in the Territory, variations in potency, the relative contribution of each therapeutically active ingredient in the Combination Product, and relative value to the end user of each therapeutically active ingredient. For purposes of this Section 1.50, "Gross Selling Price" shall mean the gross price at which an active ingredient is sold to a Third Party, before discounts, deductions, credits, taxes or allowances.

1.51 "PATENT" shall mean (i) issued and unexpired Letters Patent, including any extension, registration, confirmation, reissue, continuation, SPC, divisional, continuation-in-part,

re-examination or renewal thereof, (ii) pending applications for Letters Patents, and (iii) foreign counterparts of any of the foregoing; in each case to the extent the same has not been held, by a court or governmental agency of competent jurisdiction, to be invalid or unenforceable in a decision from which no appeal can be taken.

1.52 "PHASE I," "PHASE II," "PHASE III" and "PHASE IV" shall have the following meanings:

(a) "PHASE I" shall mean, subject to Section 6.4.3(c), the first clinical trial in which a particular Licensed Product is administered to either a patient or healthy volunteer.

(b) "PHASE II" with respect to cancer indications shall mean a clinical trial, the purpose of which is to investigate the activity of a Licensed Product in cancer using a dose studied in a Phase I clinical trial for such Licensed Product. "Phase II" with respect to non-cancer indications shall mean a dose-ranging study or a study exploring efficacy in a disease other than cancer.

(c) "PHASE III" shall mean a pivotal efficacy trial required to demonstrate substantial evidence of the efficacy and safety of a Licensed Product for submission of an MAA.

(d) "PHASE IV" shall mean a clinical trial conducted for a Licensed Product under an IND in a particular country after the Licensed Product has received Marketing Approval and has been marketed and commercially sold in that country, which is conducted primarily to continue testing the Licensed Product to collect information about its safety and/or efficacy in broader or various

populations, long-term safety and side effects associated with long-term use, and its use in additional indications other than that for which Marketing Approval was initially granted.

1.53 "POST-COLLABORATION TECHNOLOGY" shall mean, subject to Sections 5.2.2, 5.3.2, 5.5 and 12.5.2 below, all inventions and Information invented or created solely or jointly by employees, agents or consultants of GSK and/or CK during the one (1) year period immediately following the end of the Research Term or during any Extension Period, and which in each case are invented or created in the course of performing activities specifically directed to the research, discovery, characterization, optimization or development of Compounds, Collaboration Targets or Unselected Targets, or to the development, manufacture, use or sale of Compounds, Development Compounds or Licensed Products. Notwithstanding the foregoing, Post-Collaboration Technology shall also include all inventions and Information invented or created by or under authority of GSK, which are created or invented in the course of performing such activities after such period and during the term of this Agreement. Post-Collaboration Technology shall include all CK Patents and GSK Patents in and to any inventions described in this Section 1.53.

1.54 "PRE-PROGRAM FTES" and "[*] PROGRAM FTES" shall have the meanings ascribed to them in Section 2.6.1 and 2.6.2.

1.55 "[*] PROGRAM" shall mean a formal research program established in the discretion of [*] with respect to a particular Mitotic Kinesin Target for the commitment of resources at GSK and

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at CK under the Research Program, which program has undergone the detailed review of the [*] or [*]. At a minimum, a [*] Program shall comprise those activities set forth in Exhibit 1.55.

1.56 "PROJECT TEAM" shall mean the team of [*] personnel and [*] ([*]) [*] formed in accordance with Section 3.2 to manage the development of a Development Compound.

1.57 "RESEARCH PERFORMANCE MILESTONE" shall mean the milestones set forth in Section 6.3.1.

1.58 "RESEARCH PLAN" shall mean the written workplan for the Research Program to be conducted under this Agreement established in accordance with Section 2.3 hereof.

1.59 "RESEARCH PROGRAM" shall mean the research, discovery, characterization, optimization and pre-clinical development of inhibitors of Mitotic Kinesin Targets, and the discovery and characterization of Mitotic Kinesin Targets, conducted by CK and/or GSK which are undertaken during the Research Term; provided that the Research Program shall not include any such activities performed by CK with respect to a CK Compound or CK Target after such Compound or Target becomes a CK Compound or CK Target, respectively.

1.60 "RESEARCH TERM" shall mean the period commencing on the Effective Date and ending on the first to occur of (i) termination of this Agreement by either Party under Article XI below; or (ii) five (5) years after the Effective Date, or if the Research Term is extended under Section 2.8 below, the end of such extended Research Term.

1.61 "SALES AND MARKETING PLAN" shall mean the plan and budget for the marketing, promotion, sale and distribution of a Licensed Product established by the JCC in accordance with Section 7.2.

1.62 "SUBLICENSEE" shall mean, with respect to a particular Licensed Product or CK Product, a Third Party to whom GSK or CK, respectively, has granted a license or sublicense under any Licensed Technology to make and sell such Licensed Product or CK Product. As used in this Agreement, "Sublicensee"

shall also include a Third Party to whom GSK or CK has granted the right to distribute a Licensed Product or CK Product, respectively, provided that such Third Party is responsible for marketing and promotion of such Licensed Product or CK Product within its distribution territory.

1.63 "TERRITORY" shall mean the entire world.

1.64 "THIRD PARTY" shall mean any entity other than CK or GSK.

1.65 "TRACTABLE COMPOUND" shall mean a Compound that, in the reasonable determination of the JRC during the Research Term, or, with respect to Compounds directed to Extendable Unselected Targets identified during any Extension Period, in the reasonable determination of GSK, meets the criteria in Exhibit 1.65.

1.66 "UNSELECTED TARGET" shall mean any Mitotic Kinesin Target that has not been identified as a Lead Target (i) by the end of Contract Year Five or (ii) in the event GSK extends the

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Research Term in accordance with Section 2.8.2, by the end of the Research Term, subject in each case to Section 2.7.3 below.

1.67 "CLOSING" and "CLOSING DATE" shall mean the date specified in Section 13.1.

ARTICLE II - COLLABORATION RESEARCH PROGRAM

2.1 Research Program.

(a) CK and GSK agree to conduct a research program on a collaborative basis with the principal goal of identifying, developing, and commercializing Compounds, Development Compounds and Licensed Products within the Field, the mechanism of action of which is to inhibit Mitotic Kinesin Targets. The Research Program shall be conducted solely in accordance with the Research Plan, unless otherwise agreed by the Parties in writing. Each Party agrees to keep the other Party informed of its progress and activities within the Research Program.

(b) Each Party shall contribute to the Research Program the Mitotic Kinesin Targets and Compounds identified by such Party prior to the Effective Date, as well as those Mitotic Kinesin Targets, Compounds, Development Compounds and Licensed Products identified during the Research Term. This Section 2.1(b) shall not be deemed to limit CK's rights with respect to CK Compounds, CK Targets or CK Products.

2.2 The JRC. Promptly after the Effective Date, the Parties shall establish a Joint Research Committee ("JRC"). The JRC shall have responsibility to (i) oversee, review and coordinate the Research Program and to expedite the progress of work being done under the Research Plan, and (ii) to make such other decisions as are expressly allocated to the JRC under this Agreement. The JRC shall exist until the end of the Research Term. Each Party agrees to keep the JRC informed of its progress and activities within the Research Program.

(a) Membership. The JRC shall be comprised of an equal number of representatives from each of GSK and CK. The exact number of such representatives shall be three (3) for each of GSK and CK, or such other number as the Parties may agree. The initial members of the JRC shall be [*] from GSK, and [*] from CK. Either Party may replace its respective JRC representatives at any time, with prior written notice to the other Party. Unless otherwise agreed, the JRC shall at all times include the CK officer overseeing all research and the following GSK representatives: the senior Center of Excellence for Drug Discovery ("CEDD") representatives responsible for biology, chemistry and clinical activities of the collaboration, any of whom may be replaced by the head of the CEDD. From time to time, the JRC may establish subcommittees to

oversee particular projects or activities, and such subcommittees will be constituted as the JRC approves.

(b) Meetings. The JRC shall meet monthly, or as more or less often as otherwise agreed by the Parties, at such locations as the Parties agree. It is understood that such meetings shall be held at least quarterly in person, otherwise by telephone.

(c) Decision Making. Decisions of the JRC shall be made by majority vote of the members present in person or by other means (e.g., teleconference) at any meeting;

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provided that, if there is not an equal number of representatives of each Party present at such meeting, then only an equal number of representatives of each Party shall be entitled to vote at such meeting. In the event that the votes required to approve a decision cannot be reached, then either Party may, by written notice to the other, have such issue referred to the Chief Executive Officer of CK and the Chairman, Research and Development, Pharmaceuticals of GSK, for attempted resolution by good faith negotiations within thirty (30) days after such notice is received. Minutes of the JRC meetings shall be taken, and shall, at a minimum, record all decisions made. Such minutes shall be approved by both Parties.

(d) Responsibilities. The JRC shall be responsible for preparing the Research Plan for each Contract Year, other than the initial Research Plan, monitoring and adapting the Research Plan based on the results and progress of the Research Program, establishing objectives for the Research Program and evaluating the progress of the Research Program, including without limitation:

(i) Deciding the direction and objectives of the Research Program;

(ii) Approving FTE requirements (subject to Section 2.6);

(iii) Recommending Mitotic Kinesin Targets to be submitted for approval by [*] as [*] Programs;

(iv) Recommending Compounds to be submitted for [*] approval as Development Compounds in accordance with Section 2.5; and

(v) Providing a forum for the exchange of scientific information among the scientists participating in the Research Program.

2.3 Research Plan.

2.3.1 Responsibilities. The Research Program shall be carried out in accordance with the Research Plan. Each Party will be responsible for conducting those activities within the Research Program as are allocated to such Party under the Research Plan. The Research Plan shall be based on priorities with respect to Compounds and Mitotic Kinesin Targets other than CK Targets, taking into account GSK's and CK's views as to the feasibility of the scope and timing of research activities and objectives.

2.3.2 Establishment of Research Plan. The initial Research Plan shall be established by the mutual agreement of the Parties immediately upon the execution of this Agreement (the "Initial Research Plan") and shall cover the period from the Effective Date through December 31, 2001 in detail and includes general plans for the following two (2) years. By December 1 of each year during the Research Term, the JRC shall establish and approve the detailed Research Plan for the next succeeding year, including a general plan for the following two (2) years or the period remaining in the Research Term, whichever is shorter. The JRC shall review the Research Plan on an ongoing basis and may make changes thereto as the JRC approves in writing or as reflected in agreed and approved minutes of JRC meetings.

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2.4 Information and Reports. GSK and CK will use diligent efforts to make available and disclose to each other all Collaboration Technology and Post-Collaboration Technology pertaining to Mitotic Kinesin Targets (other than CK Targets, which are addressed in Section 4.4 below) including all Patents and Information within such Technology regarding compounds synthesized or discovered, initial leads, activities of leads, derivatives, and results of in vitro and in vivo studies, assay techniques and new assays immediately after the Effective Date and continuing throughout the Research Term, with significant discoveries or advances being communicated as soon as reasonably practical after such Information is obtained or its significance is appreciated; provided, however, that with respect to tangible research material, the Parties shall exchange such material as determined by the JRC. The Parties will exchange, during the Research Term, at least once quarterly, a written summary of such research and results. Within [*] ([*]) days after the [*] anniversary of the expiration of the Research Term, and of the end of each Extension Period, each Party shall provide to the other such a written report directed to results obtained, and Post-Collaboration Technology developed, during the [*] period following the end of the Research Term. Within [*] ([*]) days after the end of each Extension Period under Section 4.2.2, each Party will provide the other with raw data within the Collaboration Technology and Post-Collaboration Technology to the extent reasonably requested by the other Party. Each Party shall use diligent efforts to inform the other Party of any of its respective Existing Technology used or incorporated in connection with the Research Program or any Extended Target. In addition, each Party will disclose its respective Existing Technology to the extent reasonably necessary for the other Party to perform activities under the Research Plan.

2.5 Designation of Development Compounds. The Parties have established guidelines, set forth in Exhibit 2.5, for the designation of Compounds as Development Compounds. From time to time, either Party may suggest that the JRC consider a particular Compound to be recommended to [*] for consideration as a Development Compound. Based upon the guidelines and the results of the Research Program, the JRC shall designate from time to time Compounds for consideration by [*] as Development Compounds, and upon approval by [*], the Compounds shall be deemed Development Compounds. [*] may approve, or withhold its approval of, the designation of any Compound as a Development Compound in [*], whether or not such Compound [*] the [*], and a Compound shall not be deemed a Development Compound unless so approved by [*]. Unless the JRC otherwise approves, however, [*] agrees not to undertake IND Enabling Studies with respect to a particular Compound, until such Compound has been designated as a Development Compound in accordance with this Section 2.5.

2.6 FTE Requirements; Funding. To advance the Research Program, GSK agrees to fund CK FTEs performing research under the Research Plan in accordance with Section 6.2 below and this Section 2.6. In addition:

2.6.1 Generally. Unless otherwise agreed by the Parties or as otherwise provided in this Section 2.6, the Research Plan shall provide for, and GSK agrees to fund, [*] ([*]) CK FTEs in Contract Year One; [*] ([*]) CK FTEs in Contract Year Two; [*] ([*]) CK FTEs in Contract Year Three; [*] ([*]) CK FTEs in Contract Year Four; and [*] ([*]) CK FTEs in Contract Year Five (the "Pre-Program FTEs"). The Pre-Program FTEs shall be funded at the rate set forth in Section 6.2.1. The Pre-Program FTEs shall engage in research activities supporting Mitotic Kinesin Target efforts that have not yet reached [*] Program status, in accordance with the Research Plan. No activities

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funded by GSK under Section 6.2 shall be directed to research on CK Targets, CK Compounds or CK Products once they have been designated as such.

2.6.2 [*] Program Activities.

(a) From time to time, [*] may establish a formal [*] Program to be conducted on a collaborative basis by CK and GSK to focus resources on a particular Mitotic Kinesin Target. Should [*] establish such a [*] Program with respect to a Mitotic Kinesin Target, it shall notify the JRC of the establishment of the [*] Program, and shall keep the JRC fully informed of its activities under the [*] Program. In such event, the JRC will decide upon the division between GSK and CK of responsibilities pertaining to such [*] Program. Upon the establishment of such a [*] Program, the Research Plan shall be modified to reflect such division, and the additional resources to be added, which shall include additional FTEs at CK (i.e., in addition to the Pre-Program FTEs) (such additional FTEs being referred to as "[*] Program FTEs"); provided that, except as provided in Section 2.6.2(b) for KSP, the additional [*] Program FTEs for any particular [*] Program shall not exceed [*] ([*]) FTEs unless otherwise agreed by GSK and CK. The decision of whether to establish a [*] Program with respect to a particular Mitotic Kinesin Target shall be in the [*] of [*] (except with respect to KSP in Contract Year One, as described in Section 2.6.2(b) below); provided, however, if at any point in time GSK assigns medicinal chemistry personnel (other than CK FTEs) at the rate (i.e., a running rate) of [*] ([*]) full-time equivalents, to perform activities relating to such Target, a [*] Program shall be deemed to have been established with respect to such Target. It is anticipated that, if the Research Program is successful and [*] establishes multiple [*] Programs, then the number of CK FTEs will increase above the minimum CK FTEs required under 2.6.1 above.

(b) Notwithstanding the foregoing, the Parties agree that a [*] Program has been established with respect to KSP, which shall continue through at least the end of Contract Year One. The Research Plan for Contract Year One shall, unless otherwise agreed, provide for [*] ([*]) CK [*] Program FTEs dedicated to KSP (i.e., in addition to the [*] CK FTEs described above, for a total of [*] CK FTEs in Contract Year One). Following Contract Year One, the JRC shall determine the appropriate level of [*] Program FTEs, not to exceed [*] FTEs, to be dedicated to KSP in subsequent periods, based on the activities remaining and the capabilities of CK to perform those activities.

2.6.3 Maximum FTEs. Notwithstanding Sections 2.6.2(a) and (b) above, in no event will GSK's aggregate funding obligations for [*] Program FTEs and Pre-Program FTEs at CK, added together, exceed [*] ([*]) FTEs at CK in any year of the Research Term, unless mutually agreed. Notwithstanding any of the foregoing, unless otherwise agreed by CK and GSK, the Research Plan may not at any time require more than [*] ([*]) CK FTEs performing synthetic and analytical chemistry.

2.6.4 Gene Therapy; Antisense. During Contract Year One, CK and GSK shall discuss a broadening of the Research Plan to include activities specifically directed at the discovery and development of Gene Therapy Products and/or Antisense Products as inhibitors of Mitotic Kinesin Targets. The JRC shall include the broadening of the Research Plan as a priority for discussions at its initial meetings after the Effective Date. The Parties shall negotiate in good faith,

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using commercially reasonable efforts to reach agreement on the terms of such broadening of the Research Plan. The agreement between the Parties to broaden the Research Plan under this Section shall take into consideration the research funding, milestones and royalty payments already agreed to by the Parties under this Agreement. If the Parties mutually agree in writing on such a modification of the Research Plan prior to the first anniversary of the Effective Date, then the Research Plan shall be modified as so agreed, Gene Therapy Products and Antisense Products shall remain within the Field, and the Parties shall negotiate additional collaboration terms for such area. Agreement on such an

expanded Research Plan and collaboration may be conditioned upon a commitment by GSK to include, throughout the Research Term, sufficient resources to diligently pursue such discovery and development activities. If by the first anniversary of the Effective Date the Parties have not agreed in writing on such a modification of the Research Plan and Agreement, then (notwithstanding Section 1.29 above) for all purposes of this Agreement the Field shall exclude the use of Gene Therapy Products and Antisense Products for any therapeutic purpose, and shall also exclude any diagnostic product for use in connection with such Gene Therapy Products or Antisense Products.

(a) If the parties fail to reach agreement on such broadening of the Research Plan and Agreement by the end of Contract Year [*], CK may enter into a collaboration and license or other agreement with one or more Third Parties for [*] and/or [*], alone or in combination, after Contract Year [*], subject to Section 2.6.4(b) below, but GSK shall receive a royalty under Section 4.7 based on CK's use, or that of its licensees, if any, of [*] generated under the Research Program.

(b) At least [*] ([*]) days prior to CK's first grant to a Third Party of a right to develop, manufacture, sell and distribute (i) both at least [*] ([*]) [*] and at least [*] ([*]) [*], or (ii) at least [*] ([*]) [*], but no [*], or (iii) at least [*] ([*]) [*], but no [*], CK will notify GSK in writing of its intent to grant such rights and a summary of the terms upon which it then wishes to grant such rights ("Initial Notice"). A grant described in (i) above is referred to as a "Combination License," and a grant referred to in either (ii) or (iii) is referred to as a "Field-Specific License." CK shall provide one (1) Initial Notice with respect to a proposed Combination License or one (1) Initial Notice each for each of the two categories of Field Specific License. It is understood and agreed that CK shall not be required to submit more than one (1) Initial Notice to GSK with respect to [*] collectively on the one hand, or more than one (1) Initial Notice to GSK with respect to [*] collectively on the other hand.

(A) Upon request by GSK within [*] ([*]) days after receiving an Initial Notice, CK and GSK will, during the [*] ([*]) day period following the date of the Initial Notice (the "Negotiation Period"), negotiate the granting of rights to GSK under the Combination License or Field Specific License, as applicable. It is understood that any such grant of rights to GSK is subject to agreement between the Parties on the financial terms and other conditions of such grant. If CK provides an Initial Notice to GSK (x) with respect to a Field Specific License, GSK shall have the right to negotiate with CK for a Combination License or (y) with respect to one product within [*] or [*], as applicable, GSK shall have the right to negotiate with CK for a Field-Specific License to [*] or [*], as applicable, or to a Combination License. In the event GSK requests to negotiate a category of License as described in (x) or (y), then the Initial Notice shall be deemed to have been for that category of License (i.e., Combination License, Field-Specific License for [*] or Field-Specific License for [*], as the case may be).

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(B) If for any reason the Parties do not agree upon and enter into an agreement for the grant of rights to GSK by the end of the Negotiation Period, CK shall have no further obligations to GSK under this Section 2.6.4 to provide an Initial Notice (x) with respect to any [*] or [*] in the case of an Initial Notice regarding a Combination License, (y) with respect to any [*] in the case of a Field-Specific Licensed described in Section 2.6.4(b)(ii) above, or (z) with respect to any [*] in the case of a Field-Specific License described in Section 2.6.4(b)(iii) above; except in each case for CK's royalty obligations under Section 4.7 (as they may apply to [*] and [*] as if the resultant product were a CK Product).

(c) At such time as (i) CK has delivered an Initial Notice for either (y) one (1) Combination License or (z) one (1) Field-Specific License for [*] and one (1) Field-Specific License for [*], whichever occurs first, and (ii) the Negotiation Period, if any, corresponding to each Initial Notice described

above has expired (or the Parties have agreed upon and entered into an agreement concerning the subject matter of such Initial Notice), then all obligations of CK under this Section 2.6.4 shall terminate. It is understood that the Parties' obligations under this Section 2.6.4 are limited to those expressly stated herein, and neither GSK nor CK shall have any further obligation, implied or otherwise, other than the obligations expressly stated herein.

(d) For such purposes, (i) "[*]" shall mean [*] for the treatment or [*] of a disease [*], via [*] or [*] methods, of compositions comprising a [*] that [*] and [*] a moiety, wherein such moiety serves a material function in the treatment or [*] of such disease; and (ii) "[*]" shall mean [*] for the treatment or [*] of a disease comprising [*] which modulates [*] by [*]; in each of cases (i) and (ii) where such [*], as known by CK at the time of the grant of rights subject to this Section 2.6.4, is to inhibit the function of a Mitotic Kinesin Target.

2.7 Collaboration Targets. The Parties acknowledge that CK's technology with respect to the Mitotic Kinesin Targets and the research conducted under the Research Program could potentially provide a large number of Mitotic Kinesin Targets and Compounds on which to focus further research and development activities, and that, under the collaboration, the Parties will focus their resources on particular Mitotic Kinesin Targets to be selected by GSK as Collaboration Targets in accordance with this Section 2.7. Those Mitotic Kinesin Targets designated as CK Targets in accordance with this Section may be pursued independently by CK, subject to GSK's rights under Section 4.5 below, it being understood that GSK will perform no additional research or development on or commit additional resources to such CK Targets (unless GSK exercises its right with respect to a CK Product under Section 4.5 below).

2.7.1 Initial Selection of Collaboration Targets. Upon the later to occur of (i) the Completion of Screening for [*] ([*]) Mitotic Kinesin Targets or (ii) [*] days after the end of Contract Year [*] (the "Lead Target Selection Date"), the JRC will reasonably determine the number of Mitotic Kinesin Targets, other than KSP, for which at least one Tractable Compound has been identified (a "Lead Target"); provided, however, if GSK establishes a [*] Program with respect to a particular Mitotic Kinesin Target, such Target shall be deemed a Lead Target. If the number of such Lead Targets is [*] or less, then all such Lead Targets shall be Collaboration Targets. If the number of Lead Targets is [*] or greater, then the Parties shall make the initial selection of Collaboration Targets and CK Targets, as set forth in Sections 2.7.1(a) and (b) below (with all of the Lead Targets that have been identified as of the Lead Target Selection Date identified above being referred to as the "Initial Lead Target Pool").

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(a) On the Lead Target Selection Date, the Parties shall select as Collaboration Targets and CK Targets that number of Lead Targets corresponding to the total number of Lead Targets in the Initial Lead Target Pool as set forth in the following table, with such selection proceeding in the manner described in Section 2.7.1(b) and (c) below.

Total Lead Targets	Collaboration Targets	CK Targets
[*]	[*]	[*]
[*]	[*]	[*]

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

(b) In applying the foregoing table on the Lead Target Selection Date, GSK shall be entitled to select the first [*] ([*]) Collaboration [*]. After GSK has made such selection, CK may select [*] ([*]) Lead Target as [*] CK [*]. This initial selection shall progress sequentially through the table, Lead-Target-by-Lead-Target, until all Lead Targets in the Initial Lead Target Pool have been selected by GSK and CK based on the number of Collaboration Targets and CK Targets assigned to each under the table. For example, if there are [*] ([*]) Lead Targets in the Initial Lead Target Pool, GSK shall first select [*] ([*]) Collaboration [*], CK shall then select [*] ([*]) CK [*], GSK shall then select [*] ([*]) more Collaboration [*], and CK shall then select [*] ([*]) additional CK [*].

(c) GSK shall notify CK of its first selection no later than [*] ([*]) days after the Lead Target Selection Date, and thereafter each Party shall make its next selections sequentially, as described in paragraph (b) above, within [*] ([*]) business days after the other Party completes its selection. In the event that a Party (the "Selecting Party") fails to make such selection within such [*]-day or [*]-business day period, as applicable, and again fails to make such selection within [*] ([*]) business days of a further written request to do so, the other Party shall have the right to make such selection on behalf of the Selecting Party by so notifying the Selecting Party of such selection, and such selection shall be deemed the selection of the Selecting Party for purposes of this Section 2.7.

(d) Upon each selection in accordance with this Section 2.7, the particular Lead Target shall be deemed a Collaboration Target or a CK Target, as the case may be.

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(e) KSP. For purposes of clarity, it is understood that KSP shall not be included in the total Lead Targets or the Initial Lead Target Pool, nor shall KSP be subject to the selection mechanism of these Sections 2.7.1 and 2.7.2. KSP shall be deemed a Collaboration Target as of the Effective Date, except to the extent otherwise provided in this Agreement.

(f) If the total number of Lead Targets in the Initial Lead Target Pool or thereafter exceeds [*] ([*]), then for all purposes of this Section 2.7, the table above shall be deemed to be extended in the same pattern as such table progressed from [*] ([*]) Lead Targets to [*] ([*]) Lead Targets. For example, if there are [*] ([*]) Lead Targets, GSK would be entitled to [*] ([*]) Collaboration Targets and CK would be entitled to [*] ([*]) CK Targets.

2.7.2 Subsequent Selections.

(a) After all of the Lead Targets have been selected from the

Initial Lead Target Pool, then within [*] ([*]) days after each subsequent point in time as the JRC has identified [*] ([*]) additional Lead Targets (i.e., other than KSP and the Lead Targets previously selected in accordance with this Section 2.7), and in any event at the end of Contract Year Five, the Parties shall make further selections of Collaboration Targets and CK Targets, with GSK selecting [*] ([*]) Collaboration [*], and with the [*] designated as [*] CK [*] (subject to paragraphs (b) and (c) below). For example, if [*] ([*]) Lead Targets were in the Initial Lead Target Pool, when [*] ([*]) additional Lead Targets are identified, GSK shall first select [*] ([*]) Lead Target as a Collaboration Target, and the [*] Lead Target shall be a CK Target.

(b) Notwithstanding the foregoing, until such time as a total of at least [*] ([*]) Lead Targets have been identified, then the selection of such Lead Targets shall proceed in accordance with Section 2.7.1 above as if such Lead Targets had been in the Initial Lead Target Pool (i.e., so that GSK will have the right to select the first [*] Lead Targets as Collaboration [*], and CK shall have the right to select the [*] Lead Target as [*] CK [*]).

(c) If there is only one (1) unselected Lead Target at the end of Contract Year Five, then that Lead Target shall be designated as a Collaboration Target or a CK Target, depending on which Party is then due a Lead Target, based on the table above.

2.7.3 Reversion of Unselected Targets; Selection during Section 2.8.2 Extension.

(a) It is understood that any Unselected Target shall be deemed a CK Target at the end of Contract Year Five, unless the Research Term is extended with respect to Unselected Targets under Section 2.8.2 below, or, if the Unselected Target is an Extendable Unselected Target and such Target becomes an Extended Target under Section 4.2.2 below.

(b) If the Research Term is extended with respect to Unselected Targets in accordance with Section 2.8.2 below, and a particular Unselected Target is identified as a Lead Target during the period of such extension, such Lead Target shall be selected as a Collaboration Target or CK Target in accordance with the table in Section 2.7.1 above, taking into account all of the Lead Targets previously so selected under Section 2.7.1 or 2.7.2 above, or under this Section 2.7.3. Such selections shall be made in a sequential fashion, progressing through the table Lead Target-by-Lead Target, as each such Lead Target is identified (i.e., such selection shall not

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progress on the basis of each [*] Lead Targets in the manner described in Section 2.7.2 above). Any Unselected Target that has not been identified as a Lead Target by the end of the extended Research Term under Section 2.8.2 shall be deemed a CK Target, unless such Unselected Target becomes an Extended Target under Section 4.2.2 below.

(c) If an Extendable Unselected Target becomes an Extended Target under Section 4.2.2 below, and such Extended Target is identified as a Lead Target during the Extension Period for such Target, the same shall automatically be deemed a Collaboration Target. Otherwise, such Unselected Target shall become a CK Target as of the end of the last Extension Period for such Target.

2.7.4 Completion of Screening. Promptly following the Effective Date, CK shall disclose to GSK the number of screens against particular Mitotic Kinesin Targets that it has conducted as of the Effective Date, including those chemical entities so screened by CK prior to the Effective Date. It is

anticipated that, by the end of Contract Year [*], CK will generate up to [*] Data Points with respect to each of [*] ([*]) Mitotic Kinesin Targets, unless the JRC determines and agrees that such Data Points are better allocated otherwise. The JRC shall specify the number of chemical entities to be screened with respect to specific Mitotic Kinesin Targets, on a Target-by-Target basis. GSK shall supply to CK such number of chemical entities and in such quantities as required by the Initial Research Plan (as defined in Section 2.3.2) in time for the scheduled screening against a particular Mitotic Kinesin Target prior to the end of Contract Year [*]. CK shall give priority to screening chemical entities provided by GSK rather than to chemical entities provided by CK. The screening requirements outlined in the Initial Research Plan shall be sufficient to satisfy the Completion of Screening requirement under this Section 2.7 and screening of such Targets shall be deemed complete for purposes of clause (i) of Section 2.7.1 above when CK has generated that number of Data Points specified by the Initial Research Plan for Contract Years [*] through [*], including those Data Points generated by CK prior to the Effective Date, or such lesser number as the JRC may agree. It is understood that the JRC may provide for further screening beyond that level of screening required for Completion of Screening under this Section 2.7.4, but completion of such further screening shall not be required to satisfy the requirements of Section 2.7.1(i) above. For purposes of this Section 2.7.4, a "Data Point" shall be deemed generated when CK has screened a single, unique chemical entity against a single Mitotic Kinesin Target (it being understood that such chemical entity may be used to generate a Data Point for each Mitotic Kinesin Target).

2.8 Extension of Research Term.

2.8.1 Collaboration Targets. GSK shall have the right to extend the Research Term on an annual basis for up to three (3) additional one-year periods beyond Contract Year Five. To exercise such option, GSK shall so notify CK in writing at least [*] ([*]) months prior to the expiration of the Research Term (including any extensions thereof in accordance with this Section 2.8.1). During any extension of the Research Term under this Section 2.8.1, the Research Plan shall provide for [*] ([*]) CK FTEs, or a higher number if mutually agreed, performing activities with respect to Collaboration Targets under the Research Program, funded by GSK at the FTE rate established under Section 6.2.1 below. It is understood that, during any extension under this Section 2.8, the Research Program shall be limited to research and development activities directed to Collaboration Targets, except as provided under Section 2.8.2 below. In the event that the Research Term ends at any point in time,

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then from and after such time GSK shall have no further right to extend the Research Term under this Section 2.8.1.

2.8.2 Unselected Targets.

(a) Except as provided in this Section 2.8.2, or as provided in Section 4.2.2 below, all Mitotic Kinesin Targets that have not been designated Collaboration Targets by the end of Contract Year Five shall at that time become CK Targets.

(b) Notwithstanding (a) above, if GSK has extended the Research Term for a particular Contract Year in accordance with Section 2.8.1 above, GSK may also extend the Research Term with respect to all Unselected Targets for such Contract Year, to the extent provided in this Section 2.8.2. GSK shall have the right to extend the Research Term under this Section 2.8.2 for up to three (3) additional one-year periods beyond Contract Year Five, provided GSK has extended the Research Term under Section 2.8.1. To exercise such option, GSK shall so notify CK in writing at least [*] ([*]) months prior

to the expiration of the Research Term (including any extensions thereof in accordance with this Section 2.8.2(b)). During any extension of the Research Term under this Section 2.8.2, the Research Plan shall provide for [*] ([*]) CK FTEs, or a higher number if mutually agreed, performing activities with respect to Unselected Targets under the Research Program, funded by GSK at the FTE rate established under Section 6.2.1 below (i.e., [*] additional FTEs beyond those required by Section 2.8.1 above, for a combined total of at least [*] CK FTEs being funded by GSK under both Sections 2.8.1 and 2.8.2). In the event that GSK does not extend the Research Term for any Contract Year with respect to all Unselected Targets in accordance with this Section 2.8.2, then from and after such time GSK shall have no further right to extend the Research Term under this Section 2.8.2.

(c) In the event GSK extends the Research Term in accordance with this Section 2.8.2, then any Unselected Targets that have not been designated Collaboration Targets prior to the end of the last extension of the Research Term under this Section 2.8.2 shall at that time become CK Targets, unless GSK selects such Unselected Target as an Extended Target in accordance with Section 4.2.2 below.

(d) Once an Unselected Target is selected as either a Collaboration Target or a CK Target, the same shall cease to be an Unselected Target.

ARTICLE III - PRODUCT DEVELOPMENT

3.1 GSK's Right to Pursue Development.

(a) Following the selection of a Development Compound in accordance with Section 2.5 above, GSK shall be responsible for undertaking a development program to obtain Marketing Approval for one or more Licensed Products incorporating such Development Compound. The development program undertaken by GSK shall include all preclinical, clinical, manufacturing and other activities, beyond those to be undertaken pursuant to the Research Program, as are [*] or [*] in [*] and [*] to bring such Licensed Products to market. Except as provided in Section 3.1(b), and subject to any other provisions of this Agreement (including without limitation

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Sections 3.2, 3.3, 4.2.1, 7.3 and 11.3.3), GSK shall have the right to make all decisions relating to the development, marketing and commercialization activities with respect to any particular Development Compound or Licensed Product, including whether to continue with the development program with respect to any Development Compound or Licensed Product or to seek Marketing Approval of a Licensed Product in a particular country in the Territory.

(b) Upon CK's exercise of its Co-Funding Option or GSK's exercise of the CK Product Option, the JDC shall have the right to make all decisions relating to the development, marketing and commercialization activities with respect to any particular Development Compound or Licensed Product as to which CK has exercised its Co-Funding Option, including whether to continue with the development program with respect to the Development Compound or Licensed Product or to seek Marketing Approval of the Licensed Product in a particular country in the Territory. The JDC shall make decisions in accordance with the Co-Development Plan and Budget (as described in Section 3.4.2), as such may be modified by the JDC and all development of Co-Funded Products shall be performed in accordance with such Co-Development Plan and Budget. All MAAs and Marketing Approvals for the Licensed Products (other than those for which GSK acquires rights under Section 4.5 below) shall be owned by GSK, unless otherwise agreed or provided herein.

3.1.1 Review of [*] as Potential Development Compound. The Parties

acknowledge that CK has identified and developed certain Compounds, and that the Compound referred to by CK as [*] may potentially meet the Development Compound Criteria guidelines set forth in Exhibit 2.5. In addition, the Parties acknowledge that CK has commenced and is continuing product development activities with respect to [*], and the Parties have discussed CK's continuing development program, including the costs thereof, for such Compound. Promptly after the Effective Date, the JRC shall determine whether and when to recommend [*] as a Development Compound, and, if the JRC so recommends, [*] shall determine whether or not to approve [*] as a Development Compound in accordance with Section 2.5 above, and will notify [*] of its decision, including the reasons for such decision, it being understood that [*] retains the absolute right to approve or not approve [*] as a Development Compound.

3.1.2 Cost of [*] Preclinical Development Prior to Decision. It is understood that, prior to the Effective Date, CK has been proceeding with development activities with respect to [*], including activities directed to compiling data necessary for [*] to consider [*] as a potential Development Compound. GSK shall have no obligation to reimburse CK for any costs incurred by CK prior to the Effective Date relating to [*] or other research and development activities of CK. Notwithstanding the foregoing, GSK agrees to reimburse CK for the following costs related to [*]: (a) costs associated with [*] incurred after the Effective Date as set forth in the Research Plan; (b) costs incurred by CK in accordance with the termination of activities ongoing as of the Effective Date with those Third Party vendors identified with an asterisk in the Initial Research Plan, [*]; and (c) if [*] is not approved by [*] as a Development Compound, [*] percent ([*]%) of costs incurred by CK in accordance with the termination of activities with those Third Party vendors identified with an asterisk in the Initial Research Plan. GSK shall have no obligation to reimburse CK for costs associated with [*] or other research costs other than as set forth above or as otherwise agreed by the JRC. In establishing the objectives and activities in the Research Plan with respect to [*], the JRC shall determine which Third Party agreements relating to [*] to continue or to terminate. In the

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event that [*] approves [*] as a Development Compound, the Parties shall cooperate to ensure a seamless and rapid transition of further development of [*] in accordance with the general timelines set forth in the Initial Research Plan.

3.2 Project Team. Promptly after approval of each Development Compound, GSK shall form a project team comprised of GSK personnel that will manage the conduct and progress of the further development and regulatory affairs with respect to that Development Compound (each a "Project Team"). Such Project Team shall meet at least monthly. CK shall be notified at least two weeks in advance of the date of each Project Team meeting and shall have the opportunity to send, at CK's cost, [*] to such meeting, who shall be designated as [*] of the Project Team. GSK shall provide such [*] with schedules for all Project Team meetings and all other information distributed to GSK members of the Project Team. The Project Team shall have the responsibility for establishing the plan for the development of the subject Development Compound (each, a "Development Plan"), and in so doing shall consider all reasonable suggestions and comments of CK in formulating such Development Plan. Such Development Plan shall be comprehensive and shall fully describe at least the proposed activities related to ongoing preclinical studies, formulation, process development, clinical studies and regulatory plans, and other activities and timelines directed to obtaining Marketing Approval in each applicable country. In any event, GSK agrees to keep CK fully informed as to the material progress and activities relating to the further development and regulatory matters pertaining to each Development Compound and Licensed Product. In addition, GSK shall provide CK with such material information as CK may reasonably request from time to time. It is understood that such information will include, without limitation, copies of all proposed trial protocols and material correspondence with regulatory authorities with respect to each Licensed Product.

3.3 Manufacturing. Except as provided in Section 3.1.2, GSK shall have the right and responsibility to arrange for manufacturing of the Licensed Products, including both clinical materials and commercial product, consistent with GSK's reasonable internal practices and industry standards. GSK shall make reasonable commercial efforts to ensure adequate manufacturing capacity to meet forecast demand for Licensed Products, including, if deemed necessary by GSK, the establishment of an alternative supply source. GSK shall also make reasonable commercial efforts to ensure an adequate clinical and commercial supply of such Licensed Products. GSK will keep the Project Team, the JDC and the JCC, as applicable, advised of its manufacturing plans and activities.

3.4 Co-Development Option. CK shall have the right, on a Licensed Product-by-Licensed Product basis, to elect to fund a portion of the Later Stage Development Costs of such Licensed Product, all in accordance with this Section 3.4 (the "Co-Funding Option").

3.4.1 Election. GSK shall notify CK at least [*] ([*]) months, but not more than [*] ([*]) months, prior to initiation of the first [*] for each Licensed Product (each, a "[*]"). Such [*] shall include the date by which such [*] will start (the "Projected Start Date"), and shall include a description in detail of the indication for which such [*] will be directed, together with a comprehensive, detailed plan and budget, prepared and provided in good faith, for the conduct of the Later Stage Development of such Licensed Product, to the extent such information is not included in or is at variance with the Development Plan or otherwise has not been communicated previously to

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CK. At least [*] ([*]) days prior to the Projected Start Date, CK may elect, by so notifying GSK in writing, to participate in the further development of such Licensed Product, to the extent described in this Section 3.4 below (such notice, the "Election Notice"). Following the [*], GSK shall cooperate fully with CK, and shall promptly provide CK with such material information (including without limitation underlying clinical data), to the extent such information is not included in the Development Plan or otherwise has not been communicated previously to CK, as CK may reasonably request to enable CK to make an informed decision whether to exercise its Co-Funding Option under this Section 3.4 with respect to such Licensed Product. In the event CK exercises its Co-Funding Option with respect to a particular Licensed Product (such Licensed Product, a "Co-Funded Product"), the provisions of Sections 3.4.2 through 3.4.4 below shall apply with respect to such Co-Funded Product.

3.4.2 Co-Funding Obligation. In the event CK exercises its Co-Funding Option with respect to a Licensed Product, CK shall specify in the Election Notice whether CK elects to fund either [*] ([*]) or [*] ([*]) of the Later Stage Development Costs for such Licensed Product. The percentage so specified by CK is referred to as the "CK Percentage" for such Licensed Product. Following such election, CK shall be obligated to reimburse GSK for the CK Percentage of such Later Stage Development Costs for such Licensed Product, subject to the provisions of this Section 3.4.

(a) The comprehensive development plan and budget provided with the [*], as modified in accordance with this Section 3.4.2(a), is referred to as the "Co-Development Plan and Budget." By October 1 of each year during the Later Stage Development for a particular Co-Funded Product or such other date as is mutually agreed by the Parties (which will be established under Section 3.5 below), the JDC shall update and amend the Co-Development Plan and Budget for such Co-Funded Product for the next succeeding year. Unless otherwise specified in the Co-Development Plan and Budget, any amounts projected for a full year shall be considered budgeted in four equal quarterly amounts.

(b) Within sixty (60) days after CK exercises its Co-Funding Option with respect to a Licensed Product, but in any event prior to the

initiation of the first [*] for such Licensed Product, CK and GSK shall establish specific reasonable Later Stage Development Costs invoicing and payment procedures. Such procedures shall include the form of invoice, overall documentation requirements and accounting methodologies for Later Stage Development Costs, and specific documentation of costs required with each invoice. Within sixty (60) days after the end of each calendar [*], GSK shall provide to CK a statement reflecting the total Later Stage Development Costs incurred by GSK during such calendar [*] with respect to the particular Co-Funded Product. Within sixty (60) days after CK's receipt of such statement, CK shall reimburse GSK for the CK Percentage of Later Stage Development Costs incurred by GSK during such [*] period in accordance with the Co-Development Plan and Budget for such Co-Funded Product. CK may elect to defer payment, in whole or in part, of any amount due under this Section 3.4.2(b) for up to an additional [*] ([*]) months after such payment would otherwise have been due, by providing notice to GSK of the amount for which payment is to be deferred and the period of the deferment. Any payment amount so deferred shall bear interest at a rate of [*] percent ([*]%) per annum, calculated on the number of days from the end of the [*] day period after the calendar [*] in which such Later Stage Development Costs were incurred, until the date paid by CK. GSK agrees to keep CK informed on

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an ongoing basis as to the actual Later Stage Development Costs incurred to date as compared to the Later Stage Development Costs reflected in the Co-Development Plan and Budget.

(c) Notwithstanding the foregoing, CK shall not be obligated to reimburse GSK for amounts greater than [*] percent ([*]%) in excess of the Later Stage Development Costs provided in (i) the then-current Co-Development Plan and Budget, or (ii) the Development Plan and Budget provided with the [*], whichever is lower (the CK Percentage of such excess amounts being referred to as the "Deferred Excess Amount") in accordance with the time periods and schedule set forth in Section 3.4.2(b). In the event that CK elects not to reimburse such Deferred Excess Amount in accordance with the time periods and schedule set forth in Section 3.4.2(b), then, at GSK's option either (i) CK shall repay such Deferred Excess Amount on the [*] anniversary of the date such Deferred Excess Amount would otherwise have been payable under paragraph (b) above, together with interest thereon at the rate of [*] percent ([*]%) per annum, calculated from the date such Deferred Excess Amount would have been so due under paragraph (b); or (ii) GSK shall be entitled to credit such excess costs, plus interest at a rate of [*] percent ([*]%) per annum, calculated from the date such costs would have otherwise been due, against royalties payable under Section 6.6.2 with respect to such Co-Funded Product. GSK shall make such election with respect to all Deferred Excess Amounts for a particular Co-Funded Product by so notifying CK within sixty (60) days after the date CK first elects to defer a Deferred Excess Amount under this Section 3.4.2(c) for such Co-Funded Product. In the event of (i), CK may repay such Deferred Excess Amount earlier than the date it would be payable under (i) above, without penalty, and with interest only accruing until the date so paid by CK.

(d) In the event CK assigns this Agreement to a Third Party that acquires all or substantially all of the business or assets of CK, and such entity is a pharmaceutical or biotechnology company having worldwide net sales of pharmaceutical products which, in its last full fiscal year prior to such assignment, were in excess of the equivalent of [*] US Dollars ($[*]), or in the event that CK merges or consolidates or concludes a similar transaction with such a pharmaceutical or biotechnology entity, in which such entity becomes an Affiliate of CK, CK's ability to defer any payments due under Section 3.4.2(b) or (c) shall terminate, and CK shall reimburse GSK for all past payments due, including applicable interest thereon, within ninety (90) days after the closing of such acquisition, merger or consolidation.

(e) Upon [*] ([*]) months written notice to GSK, CK may terminate its Co-Funding Option for a particular Co-Funded Product. In such event, CK's funding obligation under Section 3.4.2(b) above shall apply only with respect to Later Stage Development Costs of activities conducted with respect to such Co-Funded Product prior to the date of such termination. Should CK terminate its Co-Funding Option under this Section, any royalties payable to CK on the Licensed Product shall be paid in accordance with Section 6.6.2(c). If CK terminates its Co-Funding Option under this Section, it shall relinquish any right to its Co-Promotion Option under Section 7.4 with respect to such Co-Funded Product.

3.4.3 Certain Terms. As used in this Section 3.4, the following terms shall have the meaning set forth below:

(a) "Later Stage Development" shall mean [*] and [*] and other development activities described below, specifically directed to the development of a Co-Funded Product, which are directed specifically towards achieving [*] or maintaining [*] of a Co-Funded Product or achieving an [*] or [*] for a Co-Funded Product, whether such studies are conducted by

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[*] or by an [*]; provided, however, that [*] focusing on [*] not included in the [*] for the Co-Funded Product and not used for submission of an [*] or [*] for the Co-Funded Product shall also be included in Later Stage Development if the results of such study are published in a peer-reviewed journal. Later Stage Development shall also include (i) the [*] of [*] and [*] for such [*] and [*]; provided, however, that if the amounts of [*] for [*] are used for [*] of the [*], [*] shall be [*] for the cost of any amounts [*]; (ii) [*] and [*] development activities commenced after the initiation of the [*] for the [*] specifically directed to the Co-Funded Product, including [*] or clinical [*] or [*] studies, [*] and other clinical testing, for such purpose; provided, however, that the costs of activities described in this item (ii) to be included within Later Stage Development Costs (other than [*] tests required to [*] a [*] clinical trial), shall be limited to [*]% of the total Later Stage Development Costs for such Co-Funded Product in a given [*] period; and (iii) that portion of [*] development directed specifically towards achieving [*] of a Co-Funded Product or achieving an [*] or [*] for a Co-Funded Product; and (iv) the preparation and filing of [*] and all associated [*] activities to achieve [*], maintain [*] or achieve an [*] or [*] for a Co-Funded Product, including the [*]. "Later Stage Development" shall exclude (i) [*] development not included in (iii) above; and (ii) any activities of the [*] and [*] of GSK and associated [*]. As used herein, "[*]" shall mean the [*]-approved [*] required to [*] the Licensed Product that contains [*].

(b) "[*]" clinical trials shall mean any [*] clinical trials of a Co-Funded Product conducted after [*] of such Co-Funded Product, by GSK or a Third Party, to the extent GSK collects or receives the data generated in such trials, performs statistical analysis with respect to such data, with the intention of using the data to determine [*] or [*] for the Co-Funded Product or supporting the [*] and [*] of such Co-Funded Product. [*] clinical trials shall specifically exclude [*] programs sponsored by GSK, [*] programs and grants (other than those grants extended by GSK to investigators to support [*] clinical trials).

(c) "Later Stage Development Costs" with respect to a particular Co-Funded Product shall mean, to the extent incurred in accordance with the Co-Development Plan and Budget then in effect and to the extent not reimbursed by a Third Party: (i) amounts paid to Third Parties for their performance of Later Stage Development of the particular Co-Funded Product; (ii) [*] conducting such Later Stage Development, plus [*] for such [*], [*] directly attributable to such Later Stage Development; and (iii) [*] to the conduct of Later Stage Development, including [*] of [*] for [*] in Later Stage

Development; plus in each of cases (i), (ii) and (iii), a reasonable allocation of [*] costs attributable to the particular Co-Funded Product (subject to paragraph (d) below). [*] costs attributable to a Co-Funded Product may include a reasonable allocation of [*] labor, a reasonable allocation of [*] costs, and a reasonable allocation of [*] costs including [*] cost, [*], and [*] over the [*] of [*] and [*], and such allocations shall be in accordance with reasonable cost accounting methods, consistently applied by GSK for its own internal accounting. [*] shall not include corporate [*] or [*] costs not otherwise allocable to the [*] of the Co-Funded Product or costs associated with [*] not incorporated into [*] costs, and [*] costs shall exclude costs associated with [*] and [*]. It is understood that Later Stage Development Costs shall not include any cost of activities undertaken prior to CK's exercise of its Co-Funding Option, and shall not include any costs incurred with respect to activities directed to [*] of a Co-Funded Product, or to [*], or to activities not specifically directed to achieving [*], maintaining [*] or achieving an [*] or [*] for a Co-Funded Product in an attempt to enhance Net Sales of the Co-Funded Product and the resulting royalties to CK.

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(d) In no event, however, shall the total [*] included within Later Stage Development Costs exceed [*] percent ([*]%) of the costs described in (i), (ii) and (iii) of Section 3.4.3(c) above.

(e) For purposes of this Section 3.4, a particular "Co-Funded Product" shall include all dosages of any formulation of the same active ingredient for all indications within the Field. Licensed Products having a different or additional active ingredient shall be deemed a separate Licensed Product (or a separate Co-Funded Product, as the case may be).

3.4.4 Certain Disputes. The Parties shall attempt to timely resolve any dispute with respect to whether a cost or expense should be included within Later Stage Development Costs for a particular Co-Funded Product or is otherwise obligated to be reimbursed under this Section 3.4. If the Parties are unable to resolve such dispute, the matter shall be referred to the Chairman, GSK R&D, and President, CK, for resolution. If such individuals are unable to resolve such dispute within thirty (30) days after the matter is referred to them, the matter shall be subject to arbitration under Section 12.3.1 below. Failure by CK to pay any disputed amount under this Section 3.4 shall not be deemed a breach of this Agreement unless and until it has been determined in an arbitration proceeding under Section 12.3.1 below that CK is obligated to pay such disputed amount, provided that (i) CK makes such payment within thirty (30) days after such determination or (ii) within such thirty (30) day period CK elects to terminate its Co-Funding Option for the particular Co-Funded Product in accordance with Section 3.4.2(e) above, in which case (notwithstanding Section 3.4.2(e)), CK shall have no obligation to reimburse any Later Stage Development Costs not previously paid by CK.

3.5 Joint Development Committee. Promptly following CK's exercise of its Co-Funding Option for a Co-Funded Product, or an exercise by GSK of the CK Product Option with respect to a CK Product under Section 4.5 below, the Parties shall establish a Joint Development Committee ("JDC") with respect to such Licensed Product. It is understood that the Project Team for such Licensed Product shall continue after establishment of a JDC and shall report thereto. The JDC shall have responsibility to oversee the Later Stage Development of the Co-Funded Product, and all further development of the Licensed Product for which GSK exercises its CK Product Option under Section 4.5, and to make such decisions as are expressly provided in this Article III. The JDC shall be comprised of an equal number of representatives from each of GSK and CK; and unless otherwise agreed, the JDC shall at all times include CK's head of development and GSK's head of clinical operations for the CEDD or Therapeutic Area Strategic Team ("TAST"), as appropriate, and GSK's CEDD head of biology, unless otherwise agreed, and shall have at least one representative from each Party at the level of Vice President or above. Either Party may replace its respective JDC representatives at any time, with prior written notice to the

other Party. From time to time, the JDC may establish subcommittees to oversee particular projects or activities, and such subcommittees will be constituted as the JDC approves. The JDC shall meet at least quarterly according to an agreed schedule, and the Parties shall keep the JDC fully informed as to all aspects of the Later Stage Development and other ongoing activities pertaining to the Co-Funded Product and all further development of the Licensed Product for which GSK exercises its CK Product Option under Section 4.5. Decisions of the JDC shall be by majority vote; provided that if there is not an equal number of representatives of each Party present at such meeting, then only an equal number of representatives of each Party shall be entitled to vote. In the event the required vote to approve a

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particular action cannot be obtained, then either Party may request that the issue be referred for resolution through good faith negotiations between the Chief Executive Officer of CK and the Chairman, Research and Development for GSK, who shall promptly meet to resolve the issue. In the event they are unable to reach agreement on the matter, the [*] shall have the right to [*] on the matter, which [*] shall become the decision of the JDC. Notwithstanding the foregoing, [*] shall not have the right to [*] with respect to matters relating to Licensed Products for which [*].

3.6 Regulatory Matters. Subject to Section 4.4.2, GSK shall file and be the owner for all regulatory filings for Compounds and/or Licensed Products developed pursuant to this Agreement, including all MAAs and Marketing Approvals. Notwithstanding the foregoing, the parties shall agree on which Party shall file and own regulatory filings for Licensed Products for which [*].

ARTICLE IV - EXCLUSIVITY

4.1 Exclusivity of Efforts.

4.1.1 Compounds. Except as set forth herein or Exhibit 10.1, during the Exclusivity Period, neither Party shall conduct, participate in, or fund, directly or indirectly, alone or with a Third Party, research or development with respect to, or commercialize a product comprising, a Development Compound, Compound or Licensed Product within the Field, except pursuant to this Agreement. In addition, neither Party shall, during the Exclusivity Period, without the consent of the JRC or the other Party, hold any discussion with any Third Party relating to any of the foregoing activities, regardless of whether such activities would take place during or after the Exclusivity Period, except as permitted under this Agreement.

4.1.2 Activities Directed to Mitotic Kinesin Targets. Except as set forth herein or Exhibit 10.1, during the Exclusivity Period, neither Party shall conduct, participate in, or fund, directly or indirectly, either alone or with a Third Party, any research, development, or commercialization activities in the Field with respect to the Mitotic Kinesin Targets, including Collaboration Targets, except pursuant to the Agreement. In addition, during the Exclusivity Period, neither Party shall disclose to a Third Party any CK Existing Technology, GSK Existing Technology, Collaboration Technology or Post-Collaboration Technology relating to Mitotic Kinesin Targets to the extent prohibited under Section 9.5. Subject to the foregoing and the confidentiality obligations set forth in Article IX, (i) CK shall have the right to use Mitotic Kinesin Targets, and information relating thereto other than Compounds, for general technology development purposes, including but not limited to the development of assay, informatics, and expression technologies, and (ii) either Party shall have the right to use Mitotic Kinesin Targets, including CK Targets and Collaboration Targets, and information relating thereto, for the generation of negative control information outside the Research Program.

4.1.3 Retention of Rights.

(a) For avoidance of doubt, it is understood that this Section 4.1 shall not limit CK's activities relating to CK Targets, CK Compounds, and CK Products.

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(b) Notwithstanding Section 4.1.1, each Party retains the right to conduct, participate in, or fund, directly or indirectly, alone or with a Third Party, research or development with respect to, or to commercialize a product comprising (i) with respect to GSK, a GSK Library Compound, and (ii) with respect to CK, a CK Library Compound, in each case where the primary mode of pharmacological action of such compound is not through inhibition of one or more Mitotic Kinesin Targets, and without use of Licensed Technology owned (or Controlled) solely by the other Party; provided, however, that (1) if CK has progressed a GSK Library Compound to the equivalent stage to a Development Compound hereunder prior to GSK progressing such GSK Library Compound to a Development Compound-equivalent stage under this Section 4.1.3(b), the retained right of GSK under this Section 4.1.3 with respect to such GSK Library Compound will no longer apply; and (2) if GSK has progressed a CK Library Compound to the equivalent stage to a Development Compound prior to CK progressing such CK Library Compound to a Development Compound-equivalent stage under this Section 4.1.3(b), the retained right of CK under this Section 4.1.3 with respect to such CK Library Compound will no longer apply. Each Party shall notify the other of their efforts with respect to a GSK Library Compound or CK Library Compound upon the designation of the compound as a Compound or as a Development Compound equivalent as described in (i) and (ii) above. This Section 4.1.3 shall not be deemed to limit in any way any license expressly granted under this Agreement.

(c) GSK acknowledges that CK has ongoing research programs related to non-human mitotic kinesins and the development of pharmaceutical products for the treatment of human diseases, the mechanism of action of which is to modulate such non-human proteins. GSK further acknowledges that such ongoing research programs as well as similar future CK research programs related to non-human mitotic kinesins are outside the scope of this Agreement and such activities of CK are not prohibited by this Article IV. Notwithstanding the foregoing, except for the licenses granted under Section 5.4.2, nothing in this Agreement shall be construed as a grant to CK of any licenses from GSK under Licensed Technology for research, development or commercialization of any products directed to non-human mitotic kinesins; and provided further, that nothing in this Section shall be construed as a limitation on CK's confidentiality obligations pursuant to Article IX of this Agreement.

4.2 Exclusivity Extension.

4.2.1 [*] Programs. Subject to the provisions of this Section 4.2, for those Collaboration Targets for which a [*] Program has been designated during the Exclusivity Period or if such Collaboration Target was an Extended Target (as defined in 4.2.2(a) below), prior to the end of the Extension Period for such Target, CK's obligations under Section 4.2.3 below with respect to each such Collaboration Target shall automatically extend with respect to such Collaboration Target for so long as GSK is diligently pursuing such [*] Program, Development Compound or Licensed Product directed to such Collaboration Target; provided, however, if after the Exclusivity Period or any Extension Period, as applicable (i) GSK ceases at any time diligent research, development or marketing of all Compounds and Licensed Products for such Collaboration Target, or (ii) GSK fails to identify a Compound meeting the guidelines set forth in Exhibit 2.5 and designate such Compound as a Development Compound for such Collaboration Target before the second anniversary of the expiration of the Exclusivity Period, or in the case of a Collaboration Target that was an Extended Target, before the second anniversary of the end of the Extension Period for such

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Target, then CK's obligations under Section 4.2.3 shall terminate with respect to such Target. GSK shall keep CK informed of its progress and activities pertaining to all Collaboration Targets, Extended Targets and Extendable Unselected Targets, and any Compounds, Development Compounds or Licensed Products directed thereto.

4.2.2 Option to Extend Exclusivity; Exercise.

(a) Subject to paragraph (d) below, GSK has the option to extend CK's obligations under Section 4.2.3 below with respect to a particular Collaboration Target or Extendable Unselected Target (as described in paragraph (e) below), on a Target-by-Target basis for up to an additional two (2) years, all to the extent set forth in Section 4.2.3 below. The option fee shall be [*] U.S. Dollars (U.S. $[*]) per annum per Collaboration Target or Extendable Unselected Target, as applicable. To exercise such right:

(i) with respect to a Collaboration Target that was selected as a Collaboration Target prior to the end of the initial five-year Research Term or any extension thereto under Section 2.8.1, GSK shall so notify CK in writing at least ninety (90) days prior to the end of the Exclusivity Period; and

(ii)with respect to an Extendable Unselected Target, GSK shall so notify CK in writing at least ninety (90) days prior to the end of the initial five-year Research Term or any extension thereto under Section 2.8.2. In the event that an Extendable Unselected Target becomes a Collaboration Target during an Extension Period for such Target, it is understood that clause (i) above shall not apply (i.e., because such Extendable Unselected Target was not a Collaboration Target at the end of the Research Term).

(iii) Each such notice shall specify the Collaboration Target(s) or Extendable Unselected Target(s) for which GSK elects to exercise its right under this Section 4.2.2, and include payment in the amount of [*] U.S. Dollars (U.S. $[*]) for each Collaboration Target(s) or Extendable Unselected Target(s) for which GSK exercises its rights under this Section 4.2. Upon such exercise, such Collaboration Target(s) or Extendable Unselected Target(s) shall be deemed an "Extended Target" for a period of [*] from such anniversary date.

(b) After the first one-year extension for a particular Extended Target under (a) above, subject to paragraph (d) below, GSK may maintain such Extended Target as an Extended Target for one additional one (1) year period beginning at the end of the first Extension Period, by so notifying CK in writing, and paying to CK the amount of [*] U.S. Dollars (U.S. $[*]) for each Extended Target for which GSK seeks such a continued extension, at least ninety (90) days prior to the end of the first Extension Period.

(c) In the event that the Extension Period lapses at any time with respect to a particular Collaboration Target or Extendable Unselected Target, then GSK shall have no further rights, and CK shall have no further obligations, under this Section 4.2 with respect to such Collaboration Target or Extendable Unselected Target, and such Collaboration Target or Unselected Target shall not be deemed an Extended Target for any period thereafter and shall be deemed a CK Target. If GSK establishes, prior to the end of the Extension Period for an Extended Target, a [*]

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Program, then Section 4.2.1 shall apply; provided that, in the case of an Extended Target that is an Extendable Unselected Target, such Extended Target has first been designated as a Collaboration Target in accordance with Section 2.7.3 above.

(d) Notwithstanding the foregoing provisions of this Section 4.2.2, if GSK extends the Research Term for two (2) years under Section 2.8.1 above, GSK may only extend its rights under Section 4.2.3 below with respect to Collaboration Targets and Extendable Unselected Targets for a single one-year Extension Period under this Section 4.2.2 (i.e., so that in such event GSK shall not have the right to an additional extension under paragraph (b) above); and if GSK extends the Research Term for three (3) years under Section 2.8.1 above, GSK shall not have any right to extend its rights with respect to any Collaboration Target or Extendable Unselected Target.

(e) The Unselected Targets for which GSK may extend its rights under Section 4.2.3 below ("Extendable Unselected Targets"), in accordance with this Section 4.2.2 shall be determined as follows: Prior to the time specified in paragraph (a)(ii) above for GSK to so extend such rights, GSK and CK shall allocate the Unselected Targets then remaining (the "Unselected Target Pool") into Extendable Unselected Targets and CK Targets, in the same manner as the Parties selected Collaboration Targets and CK Targets from Lead Targets under Section 2.7.3 above, progressing sequentially through the table in Section 2.7.1, as if such Extendable Unselected Targets were Collaboration Targets and as if such Unselected Targets were Lead Targets. It is understood that such selection shall begin at the point in the table where the last selection of a Collaboration Target or CK Target, as the case may be, was made under Section 2.7. For example, if there had been [*] ([*]) Lead Targets during the Research Term (including any extension thereto), and there remain [*] ([*]) Unselected Targets in the Unselected Target Pool, then [*] shall have the right to make the first selection of [*] from such Unselected Target Pool, then [*] would have the right to select [*] ([*]) [*] as a [*], [*] would then have the right to select [*] ([*]) additional [*] from the Unselected Target Pool, and [*] would have the right to select the [*] and [*] Unselected Target as [*]. Upon such selection by GSK the Unselected Target so selected by GSK shall become an "Extendable Unselected Target," and upon such selection by CK the Unselected Target shall become a CK Target.

(f) GSK shall not be required to continue, but upon mutual agreement of the Parties may elect, to fund [*] during the Extension Period.

4.2.3 CK Obligations for Extended Targets. For so long as GSK's exclusivity with respect to a particular Collaboration Target or Extended Target is extended under Section 4.2.1 or Section 4.2.2 above, CK shall not conduct, participate in, or fund, directly or indirectly, alone or with a Third Party, any research, development, or commercialization activities in the Field with respect to such Collaboration Target or Extended Target, as applicable.

4.3 Certain Other Matters Pertaining to Exclusivity.

4.3.1 Target Reversion. After the end of the Exclusivity Period or Extension Period, as applicable, any Collaboration Target or Extended Target with respect to which CK's activities are no longer restricted under Section 4.2.3 shall cease to be a Collaboration Target, and shall cease to be an Extended Target, for all purposes of this Agreement, and any such Target shall

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be deemed a CK Target at the conclusion of such Period or such later time as specified in Section 4.2.1, as applicable, except pursuant to the Agreement.

4.3.2 GSK Activities. Subject to Section 4.4.2 below, after a Mitotic Kinesin Target becomes a CK Target, GSK shall not conduct, participate in, or fund, directly or indirectly, alone or with a Third Party, any research,

development, or commercialization activities in the Field with respect to such CK Target.

4.4 Commercialization of CK Targets and Compounds.

4.4.1 Generally. It is understood that, as provided in this Agreement, GSK will have control over the selection, development and commercialization of Development Compounds and Licensed Products. Accordingly, GSK and CK have agreed that CK has the right to continue, on its own (outside the Research Program) research, development and other activities relating to CK Targets, including the identification of CK Compounds and development of CK Products for commercialization, in accordance with a workplan established by CK. During the Research Term, CK shall provide quarterly updates to the JRC of the progress of its activities on CK Targets. Notwithstanding the foregoing, for so long as GSK's CK Product Option under Section 4.5 below remains in effect with respect to a CK Compound or CK Product, CK shall retain exclusive rights to such CK Compound or CK Product sufficient to grant to GSK the rights that GSK is entitled to receive under Section 4.5 upon GSK's exercise of such CK Product Option with respect to such CK Compound or CK Product.

4.4.2 Transition.

(a) At such time as a Mitotic Kinesin Target becomes a CK Target, a compound becomes a CK Compound or a Licensed Product becomes a CK Product, then from and after such time, GSK shall cooperate fully with CK to provide CK with all Licensed Technology and Information to which CK has a right or license under this Agreement and which is necessary or useful for CK to further research, develop, produce or otherwise exploit such CK Target, CK Compound or CK Product. Such cooperation shall include (i) the reasonable disclosure of all such Information, to the extent such information is not within the possession or control of CK (including, without limitation: [*] with respect to the CK Compound or CK Product and [*] with respect to CK Products, CK Compounds or CK Targets, and (ii) to the extent reasonably transferable and specifically developed or used in connection with the CK Product, CK Compound or CK Target, transfer of [*] all to the extent that such material is not in the possession of CK, and such other disclosures and transfers as are reasonably necessary or useful for CK to exercise its full rights with respect to such CK Target, CK Compound, or CK Product granted to CK under this Agreement. From and after such time, all such Information specifically pertaining to the CK Compounds, CK Products and CK Targets shall be deemed Confidential Information of CK for purposes (i.e., to the same extent as such information had been first disclosed to GSK by CK under this Agreement), subject to the exceptions described in Section 9.1(ii), (iii) or (iv) (but not subject to the exception in Section 9.1(i)) below. Notwithstanding the foregoing, GSK shall not be considered to be in breach of this Section 4.4.2 for failure to disclose information, if, despite [*] efforts, the identification of such information is impractical or such information is not material. Without limiting the foregoing, GSK shall use [*] efforts with respect to those activities for which it is responsible to ensure orderly

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transition and uninterrupted research and development of CK Targets, CK Compounds or CK Products. CK shall promptly reimburse GSK's [*] costs with respect to activities and materials provided by GSK under this Section 4.4.2.

(b) In addition, GSK shall cooperate fully to transition to CK upon CK's request any arrangement with any [*] from which GSK had arranged to [*] of Compounds, Development Compounds or Licensed Products that became a CK Compound or CK Product hereunder. In the event that such [*], and the CK Compound has reached a stage equivalent to Development Compound at the time of its transition, then GSK shall continue to provide CK [*] until the conclusion of any [*], and shall also [*] a final, reasonable [*] as ordered by CK within [*] ([*]) days after the date of transition. GSK shall be obligated to [*]

ordered by CK, but only to the extent that GSK, prior to the date of transition, was [*] at a [*] which would permit [*] run, consistent with GSK's past practices with respect to such Compound, Development Compound or Licensed Product that became a CK Compound or CK Product hereunder.

(c) In the event that a Mitotic Kinesin Target later becomes a CK Target, a Compound later becomes a CK Compound, or a Development Compound or a Licensed Product later becomes a CK Product, for clarity it is understood that:

(i) Any subject matter that would have been within the GSK Existing Technology, Collaboration Technology or Post-Collaboration Technology at the time the Mitotic Kinesin Target becomes a CK Target, the Compound becomes a CK Compound, or the Development Compound or a Licensed Product becomes a CK Product, but for such event, shall nonetheless continue to be within the Collaboration Technology, Post-Collaboration Technology or GSK Existing Technology, respectively, for all purposes of this Agreement. For example, if GSK makes an invention with respect to a Collaboration Target after the Exclusivity Period, and then such Collaboration Target becomes a CK Target, such invention shall continue to be within the Post-Collaboration Technology, with respect to such CK Target, and with respect to CK Compounds and CK Products directed to such CK Targets. It is understood that this Section 4.4.2(c)(i) shall be subject in all respects to paragraph (b) of Section 1.32 above.

(ii)The licenses to GSK under Section 5.2 below shall terminate (A) with respect to any Compound, Development Compound or Licensed Product that became a CK Compound or CK Product, and (B) with respect to any Collaboration Target that became a CK Target.

4.5 GSK Option. For the period commencing on the Effective Date and ending on the thirteenth anniversary thereof, for those CK Targets selected by CK under Section 2.7.1 or 2.7.2, and for those CK Targets that become CK Targets as a result of GSK's failure to designate a Development Compound for such Targets within the time period specified in clause (ii) of Section 4.2.1, GSK shall have an option to acquire a worldwide license to CK Compounds and CK Products, all as described in this Section 4.5 below (the "CK Product Option"). Such Option shall be exercisable on a CK Product-by-CK Product basis as follows.

4.5.1 Exercise. At such time as CK has completed [*] ([*]) [*] clinical trials of a particular CK Product, CK shall notify GSK of such event (the "CK [*] Notice"), and shall provide

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to GSK a complete copy of the IND filed with the FDA for such CK Product, the completed clinical trial report in the form and including the information requested on Exhibit 4.5.1 hereto for the clinical trials of such CK Product as of the date of the CK [*] Notice, and a statement in detail of the research and development costs subject to reimbursement under Section 4.5.2 below of the date of such [*] Notice. Within [*] ([*]) days after receipt of the CK [*] Notice, GSK shall have the right to exercise the CK Product Option with respect to such CK Product, by so notifying CK in writing. For purposes of this Section 4.5.1, "completion" of a [*] trial shall be deemed to have occurred upon the later to occur of (i) thirty (30) days after the last patient to be treated in such trial has been dosed, and (ii) receipt by CK of the completed clinical trial report for such clinical trial in the form and including the information requested on Exhibit 4.5.1 hereto. Following delivery of the CK [*] Notice to GSK, CK shall cooperate fully with GSK, and shall promptly provide GSK with such material information (including without limitation underlying clinical data), to the extent such information has not been communicated previously to GSK, as GSK may reasonably request to enable GSK to make an informed decision whether to exercise its CK Product Option under this Section 4.5. In any case, such cooperation shall include providing to GSK within [*] ([*]) days after the CK [*] Notice, a comprehensive, detailed plan and budget for development activities

to be undertaken by CK with respect to such CK Product during the one (1) year period following the date of the [*] Notice, together with such formal plans as CK then has produced, if any, for the conduct of [*] trials of such CK Product. Within [*] ([*]) days after GSK exercises its CK Product Option with respect to a CK Product, CK shall provide GSK with a statement of the Early Stage R&D Costs that would be required to be reimbursed by GSK under Section 4.5.2(a) below. In the event GSK exercises its CK Product Option with respect to a particular CK Product, the provisions of Sections 4.5.2 through 4.7 below shall apply with respect to such CK Product.

4.5.2 Terms of License Upon Exercise of CK Product Option. In the event that GSK so exercises the CK Product Option with respect to a particular CK Product, such CK Product shall, upon such exercise, cease to be a CK Product and shall thereafter be deemed a Licensed Product. In such event:

(a) Within [*] ([*]) days after GSK's exercise of the CK Product Option, GSK shall pay to CK an amount equal to [*] percent ([*]%) of the research and development costs incurred by CK with respect to such CK Product outside of the Research Program up to the date of GSK's exercise of the CK Product Option, as defined in Section 4.5.2(a)(i) and (ii) below (such activities, the "Early Stage R&D" and such costs, the "Early Stage R&D Costs").

(i) The Early Stage R&D Costs incurred by CK for which CK shall receive reimbursement from GSK under this Section 4.5.2(a) shall only include those specifically directed to research and development of the CK Product, to the extent not reimbursed by a Third Party, including the following costs: (1) costs for the conduct of activities related to [*] of the CK Product or the CK Compound incorporated in the CK Product; (2) cost for the conduct of [*] and other [*] for a CK Product; (3) costs specifically related to those activities intended to [*] and/or [*] or [*] a CK Compound incorporated in the CK Product, or to [*]; (4) studies related to [*], and other [*] of, or [*] or [*] of, a CK Product; (5) amounts paid to Third Parties for their performance of Early Stage R&D of the particular CK Product; (6) [*] conducting such Early Stage R&D (to the extent [*] under this Agreement), plus [*] for such [*], [*] directly attributable to such Early Stage R&D; and (7) [*] that are attributable to the conduct of Early Stage R&D, including [*] specifically

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related to the CK Product; plus (subject to paragraph (ii) below), for such items other than those in (5) above, a reasonable allocation of [*] costs attributable to the particular CK Product. [*] costs attributable to a CK Product may include a reasonable allocation of [*] labor, a reasonable allocation of [*] costs, and a reasonable allocation of [*] costs including [*] cost, [*], and [*] over the [*] of [*] and [*], and such allocations shall be in accordance with reasonable cost accounting methods, consistently applied by CK for its own internal accounting. [*] shall not include: (a) corporate [*] or [*] costs not otherwise allocable to the [*] of the CK Product; or (b) costs associated with [*] not attributable to the Early Stage R&D. The Parties shall attempt to timely resolve any dispute with respect to whether an item of cost or expense should be included within Early Stage R&D Costs for a particular CK Product under this Section 4.5. If the Parties are unable to resolve such dispute, the matter shall be referred to the [*], and [*], for resolution. If such individuals are unable to resolve such dispute within thirty (30) days after the matter is referred to them, the matter shall be subject to arbitration under Section 12.3.1 below. In such event, GSK may withhold [*] percent ([*]%) of the disputed amount (i.e., [*]% times [*]% of the disputed Early Stage R&D Costs), and failure by GSK to pay such portion of the disputed amount under this Section 4.5 shall not be deemed a breach of this Agreement unless and until it has been determined in an arbitration proceeding under Section 12.3.1 below that GSK is obligated to pay such disputed amount, and GSK fails to make such payment within thirty (30) days after such determination.

(ii)In no event, however, shall the total [*] costs

included within Early Stage R&D Costs exceed (a) [*] percent ([*]%) with respect to research and preclinical development costs, or (b) [*] percent ([*]%) with respect to clinical development costs, in each case that are described in (1) through (7) of Section 4.5.2 (a)(i) above.

(iii) Notwithstanding the foregoing, Early Stage R&D Costs shall not include costs for which GSK previously has reimbursed CK under Section 6.2 or pursuant to this Section 4.5.2(a) (i.e., to the extent such costs were included within the Early Stage R&D Costs for a Licensed Product for which GSK previously exercised the CK Product Option).

(b) The base royalties payable to CK with respect to such Licensed Product shall equal [*] percent ([*]%) of the royalty rates specified in Section 6.6.2(a)(i) below (subject to paragraph (d) below). It is understood, however, that for purposes of determining the applicable royalty rate, the total annual Net Sales ranges shall be exactly the same as specified in Section 6.6.2(a)(i) below; so that for example, if the Net Sales of the Licensed Product for the particular calendar year equal $[*], then the royalty payable for such Licensed Product shall equal [*] percent ([*]%).

(c) For purposes of determining the milestone payments under Section 6.4 below, such Licensed Product shall be deemed a Licensed Product [*] for [*] (i.e., so that the milestone payments will equal the amounts specified in Section 6.4.1). The milestone payments due with respect to such Licensed Products under such Section 6.3.1 for Milestone 5 ([*]) and Section 6.4.1 for Milestone 1 and Milestone 2 ([*], respectively) shall be due within forty-five (45) days after GSK exercises the CK Product Option with respect to such Licensed Product; provided, however, that a payment for a particular Milestone shall not be so due if GSK has previously made a payment under Section 6.3.1 below for such Milestone with respect to a Development Compound directed to the same Mitotic Kinesin Target or under Section 6.4.1 for such Milestone with respect to

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the same Licensed Product (i.e., before such Mitotic Kinesin Target or Licensed Product became a CK Target or CK Product, respectively); and provided, further, that for purposes of this Section 4.5.2(c), the amount due with respect to Milestone 5 under Section 6.3.1 shall be [*] US Dollars ($[*]) rather than [*] US Dollars ($[*]). Notwithstanding the foregoing, GSK shall have no obligation to make either such milestone payment to CK if GSK previously made a milestone payment to CK with respect to such Product for such milestone under Section 6.3 or 6.4 below before the Licensed Product became a CK Product.

(d) CK's Co-Funding Option under Section 3.4 above shall apply to such Licensed Product and CK shall exercise it, and the royalties payable with respect to such Licensed Product shall equal the royalties described in Section 4.5.2(b) above, plus X percentage points, where "X" equals the difference in [*] between the [*] and the [*], [*], or [*], as the case may be, in each case if such royalties had not been adjusted under Section 4.5.2(b) above.

(e) From and after the time that GSK exercises the CK Product Option with respect to a CK Product (which will then become a Licensed Product), CK and GSK shall cooperate with respect to the further development activities of such Licensed Product, pursuant to a Development Plan approved by the JDC. Immediately following GSK's exercise of the CK Product Option, CK shall exercise the Co-Funding Option with respect to the Licensed Product, and within [*] ([*]) days shall notify GSK of the CK Percentage, as set forth in Section 3.4. Promptly following GSK's exercise of the CK Product Option and CK's notification of the CK Percentage, the JDC shall establish such a Development Plan for the Licensed Product. The Development Plan for the Licensed Product shall reflect CK's exercise of its Co-Funding Option. In reviewing and approving the Development Plan, the JDC shall take into consideration which Party is more

appropriate to conduct activities reflected in the Development Plan, taking into consideration, among other factors, the scope and scale to which CK had been conducting certain activities prior to GSK's exercise of the CK Product Option. GSK and CK shall each assume those development activities agreed by the JDC.

(f) CK shall continue performing further activities related to the development of such Licensed Product in accordance with CK's own development plans for a period of one (1) year after GSK's exercise of the CK Product Option, or until such earlier time as the JDC establishes such a Development Plan, and thereafter the further development of the Licensed Product shall be conducted in accordance with such Development Plan, as modified by the JDC from time to time; provided, that during such interim period CK shall not initiate a [*] trial, or make any major commitments with respect to a [*] trial of such Licensed Product, including [*], except as approved by the JDC. Any activities that are to be transferred by CK to GSK under the Development Plan shall be transferred as quickly as possible, and CK shall take [*] to ensure such speedy transfer. All costs incurred by CK in performing such activities (i.e., those after GSK's exercise of the CK Product Option but prior to the JDC's establishment of a Development Plan), and those conducted pursuant to the Development Plan so established, shall be reimbursed by GSK to the extent they exceed the CK Percentage elected by CK under the Co-Funding Option with respect to the Licensed Product. All such reimbursements shall be made in the same manner as is provided in Section 6.2 below for funding under the Research Plan (including the provisions for interim periods, as contemplated in Section 6.2.4). CK and GSK shall establish specific reasonable invoicing and

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payment procedures for reimbursements under this Section 4.5.2(f), including the form of invoice, overall documentation requirements and accounting methodologies.

(g) Transition. Subject to paragraph (e) above, and incident to the extent reasonably necessary for GSK to perform activities assigned to it under the Development Plan approved by the JDC:

(i) From and after the time that GSK exercises the CK Product Option with respect to a CK Product (which will then become a Licensed Product), CK shall cooperate fully with GSK to provide GSK with all Licensed Technology and Information to which GSK has a right or license under this Agreement and which is necessary or useful for GSK to perform such activities. Such cooperation shall include the [*] disclosure of all Information, to the extent such information is not within the possession or control of GSK, (including, without limitation, [*], all to the extent that such material is not in the possession of GSK, and such other [*] and [*] as are reasonably necessary or useful for GSK to exercise its full rights and perform such activities with respect to such CK Product. Notwithstanding the foregoing, CK shall not be considered to be in breach of this Section 4.5.2(g) for failure to disclose information, if, despite [*] efforts, the identification of such information is impractical or such information is not material. Without limiting the foregoing, CK shall use [*] efforts to ensure orderly transition and uninterrupted research and development of CK Products under this Section. GSK shall promptly reimburse CK's [*] costs with respect to activities and materials provided by CK under this Section 4.5.2(g).

(ii)In addition, the JDC shall meet and discuss how best to proceed with the [*] of such CK Product in the best interest of such CK Product and its commercial profile, taking into consideration the relative capabilities of each Party, including CK's [*] or arrangements prior to GSK's exercise of its CK Product Option. In the event that the JDC determines that [*] such CK Product, CK shall cooperate fully to [*] related to the CK Product as reflected in the Development Plan approved by the JDC.

(h) For purposes of this Section 4.5.2, all dosage forms, and

all formulations, of the same active ingredient shall be deemed a single Licensed Product. Licensed Products having a different or additional active ingredient shall be deemed a separate Licensed Product if such different or additional active ingredient is a different or additional CK Compound or CK Product or another active ingredient in which CK has proprietary rights (other than a Licensed Product otherwise licensed to GSK hereunder).

4.5.3 Termination. In the event that GSK does not elect to exercise its CK Product Option on a CK Product, in accordance with Section 4.5.1 above, then the CK Product Option, and all of CK's obligations under this Section 4.5 with respect to such CK Product, as well as with respect to all CK Compounds and CK Products for the same CK Target shall terminate. CK shall thereafter be free to develop such CK Products, CK Compounds and CK Targets, alone or in connection with Third Parties.

4.5.4 Abandoned Products. It is understood that this Section 4.5 and the rights and obligations of GSK and CK under this Section 4.5 shall not apply to any Abandoned Products. For

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such purposes, "Abandoned Products" shall mean those CK Compounds and CK Products that are directed to Mitotic Kinesin Targets designated as CK Targets under any Section of this Agreement other than (i) under Section [*] or (ii) by reason of [*] failure to [*] a Development Compound for such Target within the time period specified in Section [*] above.

4.5.5 No Implied Obligations. The only obligations of GSK and CK under this Section 4.5 are as expressly stated herein, and there are no further implied obligations relating to the matters contemplated therein. Without limiting the foregoing, it is further understood and agreed that the subject CK Product(s) may or may not be discovered or reduced to practice at all, or that further modification and/or variations of a product may be developed after the date CK provides notice under Section 4.5.1 above. It is understood that modifications and/or variations of a Licensed Product as described in Section 4.5.2(h) that are developed after the date CK provides notice under Section 4.5.1 above shall be included within the Licensed Product for which GSK exercised its CK Product Option.

4.6 CK Efforts. For as long as GSK retains an option on CK Products as set forth in Section 4.5 above, CK shall use [*] efforts to develop at least one CK Compound or CK Product, consistent with the practice of CK in pursuing the development of pharmaceutical products of its own development and of similar commercial potential value within the relevant product line.

4.7 Royalties to GSK.

4.7.1 Royalty Obligation. In the event that CK commercializes a CK Product independently of GSK (i.e., in the case where GSK does not exercise the CK Product Option), then in such case CK shall pay to GSK a royalty on sales of such CK Product by CK, its Affiliates and Sublicensees, in an amount to be reasonably established by the Parties, based on the extent to which GSK has [*] under this Agreement, and/or has provided [*] to [*], that [*] the research, development or commercialization of such CK Product. In the event the Parties are not able to agree upon such royalty, then upon request by either Party, such amount shall be determined in accordance with Section 12.3.1 below. It is understood that, in connection with establishing the applicable royalty, the ancillary terms of such royalty, such as the term for which such royalties are due, the definition of CK's net sales, royalty reporting, audit rights, [*] (such as those in Section [*] below) and the like will also be established, which terms will be no less favorable to CK than the corresponding terms of this Agreement. Notwithstanding the foregoing, in no event shall the royalty to be paid to GSK exceed the following amounts, based on the stage of the CK Product at the time the relevant Mitotic Kinesin Target became a CK Target (the

"Reversion Stage"), as reflected in the table below:

REVERSION STAGE	[*] ROYALTY
[*]	[*]%
[*]	[*]%
[*]	[*]%
[*]	[*]%
[*]	[*]%

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4.7.2 [*]; [*]. For purposes of the foregoing table, the Reversion Stage for all [*] and [*] shall be deemed the [*] stage.

4.7.3 Other Considerations. It is understood that the royalty rates specified in 4.7.1 above are [*]. The actual royalty rate to be applied in any given situation shall be [*] and [*] under the circumstances and shall take into account [*] to Mitotic Kinesin Targets prior to or outside of this Agreement, the actual contribution of [*] to the effort in terms of [*], the possible need for [*] (and in such case the possibility that [*]), and other similar factors.

4.8 Other Formulations; Dosage Forms. For purposes of this Article 4, all dosage forms, and all formulations, of the same active ingredient shall be deemed a single CK Product. CK Products having a different active ingredient shall be deemed a separate CK Product.

ARTICLE V - LICENSE GRANTS

5.1 Research Licenses to CK and GSK. GSK hereby grants CK a non-exclusive, worldwide license to make and use subject matter within the GSK Existing Technology and Collaboration Technology, to conduct activities assigned to CK under the Research Plan, during the Research Term. CK hereby grants GSK a non-exclusive, worldwide license to make and use subject matter within the CK Existing Technology and Collaboration Technology, to conduct activities assigned to GSK under the Research Plan, during the Exclusivity Period and Extension Period, if any. The licenses granted under this Section 5.1 shall not include the right to grant or authorize sublicenses; provided, however, that the use by GSK or CK of subcontractors approved by the JRC shall not be construed as a sublicense.

5.2 Commercial Licenses to GSK.

5.2.1 Compounds, Development Compounds and Licensed Products. Subject to the terms and conditions of this Agreement, CK hereby grants GSK an exclusive license, under CK Existing Technology and CK's interest in Collaboration Technology and Post-Collaboration Technology, (a) to make, have made, use, sell, offer for sale and import Compounds, Development Compounds and Licensed Products for use in the Field and in the Territory and (b) to make and use Collaboration Targets, and any subject matter within the Collaboration Technology or Post-Collaboration Technology, for the purpose of discovering and commercializing Compounds, Development Compounds and Licensed Products for use within the Field.

5.2.2 CK Library Compounds.

(a) Notwithstanding Sections 1.4, 1.7, 1.13, 1.16 and 1.53, a CK Library Compound shall not be deemed within CK Existing Technology, unless and until such time as such CK Library Compound has become both a Compound and a

Development Compound hereunder. However, GSK is hereby granted a non-exclusive license to make and use CK Library Compounds and CK Existing Technology to pursue discovery (including optimization) and initial development of such CK Library Compounds and derivatives thereof, for the purpose of identifying and conducting initial development of Development Compounds for Collaboration Targets and, during the Research Term and applicable extensions, for Mitotic Kinesin Targets (other than CK Targets).

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The CK Library Compounds that GSK is licensed to make and use under this Section 5.2.2 shall be limited to those (i) that were identified as Compounds against a Mitotic Kinesin Target in activities under the Research Plan; and (ii) that are derived from (i.e., tracing its chemical lineage to a CK Library Compound or resulting from the direct progression through a continuing medicinal chemistry program from a CK Library Compound, in each case as evidenced by contemporaneous written laboratory records) the CK Library Compounds described in the preceding clause (i). GSK shall have no research license under this Section 5.2.2 with respect to CK Library Compounds that are not described in (i) or (ii) above.

(b) Notwithstanding Section 5.2.2(a) above, if CK has progressed a CK Library Compound licensed to GSK under this Section 5.2.2 to a stage equivalent to a Development Compound, where the primary mode of pharmacological action of such CK Library Compound is not through inhibition of one or more Mitotic Kinesin Targets, prior to GSK progressing such CK Library Compound to be a Development Compound, GSK's licenses to such CK Library Compound shall terminate. A compound shall be deemed to have reached a "stage equivalent to a Development Compound" if such compound would meet criteria comparable those specified in Exhibit 2.5, or IND Enabling Studies have been conducted for such compound. Upon request, CK shall use good faith efforts to advise GSK whether it is actively pursuing such CK Library Compound, and CK shall notify GSK at such time as such CK Library Compound has progressed to a stage equivalent to a Development Compound as described in this Section 5.2.2(b).

(c) Notwithstanding Section 5.2.2(a) above, GSK agrees not to engage in optimization activities to discover Compounds that are derived from a CK Library Compound in a manner that intentionally optimizes such Compounds specifically to exploit the activity of such Compound against any target, other than a Mitotic Kinesin Target that is not a CK Target.

5.2.3 Sublicenses. GSK may sublicense the right to make and/or sell a particular Development Compound or Licensed Product in all countries other than North America or any Major European Country. GSK shall inform CK of its intention to sublicense its rights at least sixty (60) days prior to the date GSK intends to execute such sublicense and shall provide CK with the opportunity to provide comments to GSK with respect to such sublicense. GSK shall consider CK's reasonable comments in its decision whether to grant such sublicense. Notwithstanding the foregoing, (i) GSK shall have the right to sublicense the right to co-market and/or co-promote a Licensed Product in North America or a Major European Country, provided that GSK is actively marketing and promoting such Licensed Product itself in such country, and (ii) GSK shall have the right to have Licensed Products manufactured for GSK by a Third Party in North America and any Major European Country. Subject to the foregoing, GSK shall have the sole right to decide whether and how to grant any sublicenses under this Section 5.2.3. Any sublicensee of GSK must have reasonable capabilities to support the commercialization of the Development Compound and/or Licensed Product. Any such sublicense (and any right to obtain such a sublicense) shall be granted no earlier than the date the Compound incorporated therein has been designated as a Development Compound in accordance with Section 2.5 above.

5.2.4 Right of Negotiation. At least [*] ([*]) months prior to GSK granting a Third Party a right to sell or distribute a Compound, Development Compound or Licensed Product in the United States or Canada for the therapeutic or prophylactic treatment of cancer, including but not limited to rights of co-development and co-promotion, GSK will notify CK in writing of its intent to grant such rights ("Initial Notice"). Upon request by CK, GSK and CK will, during such [*] ([*]) month period, negotiate in good faith the granting of such rights to CK, provided that CK has the capabilities, or reasonably commits to have such capabilities in place within the required time frame, sufficient to exploit such rights and to perform in accordance with GSK's sales and marketing plan for the commercialization of the Licensed Product established by GSK for the Compound, Development Compound or Licensed Product and the objective requirements set forth therein. It is understood that any such grant would be subject to agreement between the Parties on the financial

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terms and other conditions of such grant. Notwithstanding the foregoing, this Section 5.2.4 shall not apply with respect to distribution arrangements, wherein the Third Party performs primarily a logistics and fulfillment function, and does not engage in marketing or promotion of the Development Compound or Licensed Product.

5.2.5 No Other Active Ingredients. For clarity, it is understood that, notwithstanding Section 1.44 above, the licenses to GSK under this Section 5.2 shall not extend to any active ingredient included within a Licensed Product other than a Compound, a Development Compound, or in the case of a Licensed Product for which GSK exercised its CK Product Option pursuant to Section 4.5 above, the active ingredients incorporated by CK into the CK Product that became such Licensed Product.

5.3 Commercialization License to CK.

5.3.1 CK Compounds and CK Products. Subject to GSK's Option for a license under Section 4.5 above, GSK hereby grants CK an exclusive license, with the right to grant and authorize sublicenses, under GSK Existing Technology (subject to Section 5.3.2 below), and GSK's interest in Collaboration Technology and Post-Collaboration Technology, (a) to make, have made, use, sell, offer for sale and import CK Compounds and CK Products in the Field in the Territory and (b) to make and use CK Targets, and any subject matter within the Collaboration Technology or Post-Collaboration Technology, solely for the purpose of discovering, developing and commercializing CK Compounds and CK Products.

5.3.2 GSK Library Compounds; Additional Research License.

(a) Notwithstanding Sections 1.13, 1.16, 1.34 and 1.53, a GSK Library Compound shall not be deemed within the GSK Existing Technology, unless and until such time as IND Enabling Studies are commenced by or under authority of CK with respect to such GSK Library Compound. However, CK is hereby granted a non-exclusive license to make and use GSK Library Compounds and GSK Existing Technology to pursue discovery (including optimization) and initial development of such GSK Library Compounds and derivatives thereof, for the purpose of identifying and conducting initial development of CK Compounds that meet criteria similar to that of Development Compounds; provided that the GSK Library Compounds that CK is so licensed to make and use under this Section 5.3.2 shall be limited to those (i) that were identified as Compounds against such Mitotic Kinesin Target before such Mitotic Kinesin Target was designated as a CK Target, or (ii) that are derived from (i.e., tracing its chemical lineage to a GSK Library Compound or resulting from the direct progression through a continuing medicinal chemistry program from a GSK Library Compound, in each case as evidenced by contemporaneous written laboratory records) the GSK Library Compounds described in the preceding clause (i). CK shall have no research license under this Section 5.3.2 with respect to GSK Library Compounds that are

not described in (i) or (ii) above.

(b) Notwithstanding (a) above, if GSK has progressed a GSK Library Compound licensed to CK under this Section 5.3.2. to a stage equivalent to a Development Compound, where the primary mode of pharmacological action of such GSK Library Compound is not through inhibition of one or more Mitotic Kinesin Targets, prior to CK progressing such GSK Library Compound to a stage equivalent to a Development Compound, CK's licenses to such GSK Library Compound shall terminate. A compound shall be deemed to have reached a "stage

equivalent to a Development Compound" if such compound would meet criteria comparable those specified in Exhibit 2.5, or IND Enabling Studies have been conducted for such compound. Upon request, GSK shall use good faith efforts to advise CK whether it is actively pursuing such GSK Library Compound and GSK shall notify CK at such time as a GSK Library Compound has progressed to a stage equivalent to a Development Compound as described in this Section 5.3.2(b).

(c) Notwithstanding Section 5.3.2(a) above, CK agrees not to engage in optimization activities to discover CK Compounds that are derived from a GSK Library Compound in a manner that intentionally optimizes such CK Compounds specifically to exploit the activity of such CK Compound against any target, other than a CK Target.

5.3.3 No Other Active Ingredients. For clarity, it is understood that, notwithstanding Section 1.9 above, the licenses to CK under this Section 5.3 shall not extend to any active ingredient included within a CK Product other than a CK Compound.

5.4 Additional Licenses for Unpatented Collaboration and Post-Collaboration Technology.

5.4.1 License to GSK. CK hereby grants to GSK a non-exclusive license, including the right to grant and authorize sublicenses, under CK's interest in any Collaboration Technology and Post-Collaboration Technology, other than CK Patents, to use and otherwise exploit the same for any purpose, subject to Sections 4.1-4.3, and Section 5.3, above.

5.4.2 License to CK. GSK hereby grants to CK a non-exclusive license, including the right to grant and authorize sublicenses, under GSK's interest in any Collaboration Technology and Post-Collaboration Technology, other than GSK Patents, to use and otherwise exploit the same for any purpose, subject to Sections 4.1-4.3, and Section 5.2, above.

5.5 Cytometrix(TM) Technology. It is understood that CK has developed certain Cytometrix(TM) Technology, which may be useful in the discovery of Compounds, and that CK will apply such Cytometrix(TM) Technology to the Research Program, as described more fully in the Research Plan. Notwithstanding any other provision of this Agreement, however, the Parties agree that CK's Cytometrix(TM) Technology is [*] or [*], and CK is [*] to [*] GSK with such Cytometrix(TM) Technology; provided, however, that (i) [*], as applicable, and (ii) [*] within the Cytometrix(TM) Technology would [*] be [*] by the [*] or [*] of a Compound, Development Compound, or Licensed Product, such [*] shall be [*], [*] for such purposes. [*] (i) [*]; (ii) [*]; and (iii) [*].

5.6 [*]. If a chemical entity that would otherwise be a Compound or CK Compound hereunder, meets the Compound Criteria for both a [*] and a [*], then such chemical entity shall be considered a "[*]" if the difference in [*] activity ([*]) is less than [*] between the [*] and the [*]. Furthermore, such a chemical entity shall be deemed a Compound, and not a CK Compound, if its [*] activity ([*]) is [*] greater against the [*] than against the [*]. Such a chemical entity shall be deemed a CK Compound, and not a Compound, if its [*] activity ([*]) is [*] greater against a [*] than against the [*]. With respect to [*], either Party shall have the right to pursue research and optimization of such [*] for the purpose of identifying Compounds or CK Compounds that meet the criteria for Development Compounds (or, in the case of CK Compounds, criteria

similar thereto);

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provided, however, that neither Party shall commence clinical development or commercialize a [*] as a Compound, Development Compound, Licensed Product, CK Compound or CK Product without the prior written approval of the other Party. Notwithstanding the foregoing, GSK shall not engage in optimization activities to discover Compounds in a manner that intentionally optimizes such Compounds specifically to exploit the activity of such Compound against a [*]; and, CK shall not engage in optimization activities to discover CK Compounds in a manner that intentionally optimizes such CK Compounds specifically to exploit the activity of such CK Compound against a [*]. As used herein, [*] activity ([*]) shall mean the first criterion set forth in Exhibit 1.17.

5.7 No Implied Licenses. Each Party acknowledges that the licenses granted under this Article V are limited to the scope expressly granted, and all other rights to Licensed Technology are expressly reserved to the Party owning such Licensed Technology. Without limiting the foregoing, it is understood that where an exclusive license under Licensed Technology is granted to a Party under this Article V for a particular purpose, the Party granting such license retains all of its rights to such Licensed Technology for all purposes not expressly licensed. Accordingly, for example, the license granted under Section 5.2.1(b) above shall not preclude CK from making or using a Collaboration Target for purposes outside the Field.

5.8 Nothing in this Article V shall be construed as limiting or changing the rights and obligations of the Parties under Sections 4.1.1 and 4.1.2, except to the extent provided in Section 5.5 above.

ARTICLE VI - PAYMENTS

6.1 Initial Payments.

(a) Technology Access Fee. In consideration of CK's development efforts prior to the Effective Date and the performance of its obligations during the Research Program, on the Closing Date, GSK shall pay to CK an initial fee of Fourteen Million U.S. Dollars (U.S. $14,000,000), which amount shall be non-refundable and non-creditable against any other amounts due CK under this Agreement.

(b) Equity Investment. It is understood that GSK has also agreed to make an equity investment in CK, on the Closing Date, in the amount of Fourteen Million U.S. Dollars (U.S. $14,000,000) pursuant to the terms and conditions of a Stock Purchase Agreement of even date referencing this Agreement.

6.2 Research Payments - Funding. Subject to the limitations set forth below, from and after the Effective Date, GSK shall reimburse costs incurred by CK in performing the Research Program in accordance with the Research Plan, in the following manner:

6.2.1 FTEs. An FTE rate determined in accordance with this Section 6.2.1 shall be used for purposes of determining the costs incurred by CK with respect to CK personnel performing work on the Research Program. The FTE rate shall be [*] U.S. Dollars (U.S. $[*]) per FTE (as adjusted below). The FTE rate includes all salary, employee benefits, incidental materials and other expenses including support staff and overhead for or associated with an FTE and travel and lodging

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expenses incurred by such FTEs in performance of the Research Program. Effective beginning with the calendar year 2002, the FTE rate shall increase no more than once annually by the percentage increase, if any, in (i) the Radford Associates Annual Biotechnology Compensation and Benefits Survey for the San Francisco Bay Area, or (ii) the Consumer Price Index, for All Urban Consumers for the San Francisco Bay Area, as published by the U.S. Department of Labor, Bureau of Labor Statistics, in each case whichever increase is higher since the last such increase under this Section 6.2.1, (or in the case of the first such increase, the Effective Date) (the "Cost of Labor Increase"), upon thirty (30) days prior written notice to GSK and such increase shall be effective for the then-current and all subsequent Research Plans hereunder until further modified under this Section 6.2.1.

6.2.2 Non-FTE Costs. If the JRC specifically requests, as confirmed by GSK in writing or in the written Research Plan approved by the JRC, that CK conduct and fund a research activity at an external center, CK's out-of-pocket external costs incurred by CK in following such request shall be reimbursed at CK's cost; provided that, if CK identifies that a particular task can be efficiently performed by a Third Party, CK may satisfy its FTE commitment with personnel from such Third Party if such Third Party is approved by the JRC, and that, unless the JRC determines otherwise, such Third Party personnel will be deemed a CK FTE for purposes of the Research Plan and this Agreement.

6.2.3 Payment. On or before the first day of each calendar [*] during the Research Term, after receipt of an invoice from CK, GSK shall pay to CK an amount equal to the costs budgeted to be incurred by CK under the Research Plan for such [*]. Unless otherwise specified in the applicable Research Plan, amounts budgeted for the full year will be deemed budgeted in equal amounts for each calendar [*] during such year. Within sixty (60) days following the end of each calendar [*] during the Research Term, CK shall provide to GSK a summary of the costs actually incurred during each calendar [*] in performing the Research Plan during such period, in a form mutually agreed by the Parties. If the costs so incurred by CK in such period are less than the amounts budgeted for CK to so incur during such period under the Research Plan, then the difference will be carried forward and credited against the next payment due to CK under this Section 6.2. If CK incurs in such period costs in excess of the amounts so budgeted, the excess may be carried forward and treated as costs incurred in a subsequent period. Notwithstanding the foregoing, for the period from the Effective Date through September 30, 2001, GSK shall pay to CK, within ten (10) business days after the Effective Date, an amount equal to the costs budgeted to be incurred by CK under the Research Plan for such period; provided, however, that if GSK or CK terminates this Agreement pursuant to Section 11.1.1, CK shall reimburse any payments made by GSK to CK under this Section.

6.2.4 Interim Periods. In the event the JRC is unable for any reason to establish a Research Plan for any period during the Research Term, then in such case the [*] advance payments to CK for each [*] during any such interim period shall equal [*] of the FTE rate multiplied by the actual number of CK FTEs covered by the last Research Plan that was approved by the JRC, for the last [*] covered by such approved Research Plan; provided that, if such number exceeds the minimum number of CK FTEs required to be included in any Research Plan for the particular Contract Year, as reflected in Section 2.6 above, then GSK may elect to [*] the number of CK FTEs for such interim period to a number [*] specified in Section 2.6, by so notifying CK in writing. If

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GSK so elects, the [*] advance payments to CK for each [*] during any such interim period shall equal [*] of the FTE rate multiplied by the actual number

of CK FTEs listed in GSK's notice (which shall [*] number of CK's FTEs for such period specified in Section 2.6 above). Any payments made under this Section 6.2.4 shall be non-refundable.

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6.3 Research Milestone Payments.

6.3.1 Milestones. GSK shall pay to CK the following amounts upon achievement of each occurrence of the following events (each a "Research Performance Milestone"):

	MILESTONE	CASH PAYMENT (IN U.S. DOLLARS)
1.	[*]	$[*]
2.	[*]	$[*]
3.	[*]	$[*]
4.	[*]	$[*]
5.	[*]	$[*]
6.	[*]	$[*]

6.3.2 Certain Terms and Conditions.

(a) "[*]" shall have the meaning set forth in Exhibit [*], attached hereto and incorporated herein.

(b) In the event that the first Compound against the [*] Mitotic Kinesin Target induces [*], but [*], in its [*] discretion, elects to approve the Compound as a [*], then Research Performance Milestone 5 shall be [*] to [*] United States dollars (U.S. $[*]). "[*]" shall have the meaning set forth in Exhibit 6.3.2(b), attached hereto and incorporated herein. If such [*] does not exhibit evidence of [*] in [*] (as defined in Exhibit 6.4.4), then the Development Milestone under Section 6.4 below (initiation of [*]) for a Licensed Product incorporating such [*] shall be [*] by [*] U.S. Dollars (U.S. $[*]).

(c) It is understood that Research Performance Milestone 5 may be satisfied by [*], if and when [*] by [*] as a [*] in accordance with Section [*].

(d) Selection of [*] shall be in accordance with Section [*]. It is understood that Research Performance Milestone [*] shall be paid on a Target-by-Target basis, so that the selection of the first [*] for each [*] Mitotic Kinesin Target shall trigger a separate payment of [*] U.S. Dollars (U.S. $[*]).

6.4 Development Milestones. Except as set forth below, GSK shall pay to CK upon achievement of the corresponding events set forth below (each, a "Development Milestone") for each Licensed Product, regardless of whether the development, promotion, or marketing of such Licensed Product is discontinued at any time after the achievement of such milestone:

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6.4.1 [*]. For each Licensed Product that [*]:

	MILESTONE	[*]	[*]	[*]
1.	[*]	$[*]	[*]	[*]
2.	[*]	$[*]	[*]	[*]
3.	[*]	$[*]	[*]	$[*]
4.	[*]	$[*]	[*]	$[*]
5.	[*]	$[*]	[*]	$[*]
6.	[*]	$[*]	$[*]	$[*]
7.	[*]	$[*]	$[*]	$[*]

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6.4.2 [*]. For each Licensed Product that [*], on a Collaboration Target-by-Target basis:

MILESTONE		[*]	[*]	[*]
1.	[*]	$[*]	[*]	[*]
2.	[*]	$[*]	[*]	[*]
3.	[*]	$[*]	[*]	$[*]
4.	[*]	$[*]	[*]	$[*]
5.	[*]	$[*]	[*]	$[*]
6.	[*]	$[*]	$[*]	$[*]
7.	[*]	$[*]	$[*]	$[*]

6.4.3 Certain Terms. For purposes of the Development Milestones due under this Section 6.4:

(a) In no event will multiple Development Milestone payments be made for the same Licensed Product, except in the event where a Licensed Product for [*] is also the [*] Licensed Product directed against that Mitotic Kinesin Target to be [*] for a [*].

(b) It is understood that the Development Milestone payments reflected under the column "[*]" shall be payable whether or not Development Milestones have been paid for such Licensed Product with respect to [*]. In addition, the "[*]" need not be the same Licensed Product as the "[*]."

(c) Notwithstanding the definition of [*] under Section [*], a clinical trial that is a [*] shall not be deemed a [*] trial that meets such Development Milestone [*], and accordingly, the payment corresponding to such Development Milestone [*] shall not become due by reason of such a [*]. For purposes of this Section 6.4.3, a "[*]" shall mean a [*], as provided in [*], submitted for the sole purpose of conducting a [*] study or [*] study of the [*] of no more than [*] ([*]) [*] to compare the [*] of at least [*] ([*]), but not more than [*] ([*]), [*]. Any clinical trial that includes activities in addition to those listed in this Section, including without limitation [*] or any subsequent clinical trial of the particular Compound, shall not be deemed a [*], and upon initiation of such trial, Development Milestone [*] shall be immediately due and payable.

(d) For purposes of this Section 6.4, and Section 6.6 below, all dosage forms, and all formulations, of the same active ingredient shall be deemed a single Licensed Product. Licensed Products having a different or additional active ingredient shall be deemed a separate Licensed Product; provided, however, that the different or additional active ingredient is a different or additional Development Compound than the original Development Compound contained in the Licensed Product.

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(e) The Development Milestone payments under Section 6.4.2 shall be determined on a Mitotic Kinesin Target-by-Target basis, meaning, for example, that the [*] that is directed to a particular Mitotic Kinesin Target shall trigger the payments under the column "[*]" milestone, and that the [*] for another Mitotic Kinesin Target shall also trigger those payments.

(f) "[*]" of a particular clinical trial shall mean the date of [*] of the [*] subject in such trial.

(g) If a subsequent Development Milestone is achieved with respect to a particular Licensed Product before a prior Development Milestone ("prior" and "subsequent" referring to a lower number in the tables above, e.g., Development Milestone 2 being "prior" to Development Milestone 3), then all such prior Development Milestones shall be deemed achieved upon achievement of the subsequent Development Milestone.

(h) "[*]" of an [*] shall mean the date of receipt by GSK of written notice of [*] from the FDA (or its equivalent in a country outside the U.S.) of an [*] for the Licensed Product for [*].

(i) "[*] of an [*] by [*]" shall mean the date that an [*] has been [*] for a Licensed Product in [*]; provided that, if such application is [*] by the [*] ("[*]") under the [*] the Development Milestone will be met (in full). For purposes of the foregoing, validation of an [*] by [*] or the [*] shall be deemed "[*]" of such [*] by such [*] or [*], as applicable, and if an [*] is submitted under the [*] and validated by the [*] ("[*]"), such [*] shall be deemed [*] by a [*] upon confirmation that the resulting [*] in the [*] will serve as the basis for [*] in such [*].

(j) "Receipt of [*] from [*]" shall mean the [*] for the Licensed Product, in [*]; provided, however, that GSK shall pay CK [*] ([*]) of Development Milestone [*] under Sections 6.4.1 and 6.4.2, as applicable, upon

the date that GSK receives [*] from [*]. GSK shall subsequently pay CK an additional [*] ([*]) of Development Milestone [*] when GSK receives [*] from each of [*].

6.4.4 Credits.

(a) Should all development of a particular Licensed Product for a particular Collaboration Target discontinue prior to [*] in [*], for any reason, and be replaced by an alternative Licensed Product against that Collaboration Target, then, for the next Licensed Product for such Collaboration Target to achieve a milestone for which a corresponding milestone payment was made for the discontinued Licensed Product, no payment shall be due with respect to such alternative Licensed Product with respect to such milestone.

(b) If there is evidence of [*] in [*] for a particular Licensed Product, but GSK, in its sole discretion, elects to continue development of such Licensed Product, then (i) Development Milestone [*] shall be [*] by [*] percent ([*]%), and (ii) Development Milestones [*] through [*] shall each be [*] by [*] percent ([*]%). "[*]" shall have the meaning set forth in Exhibit 6.4.4, attached hereto and incorporated herein. Notwithstanding the foregoing, in the event that such Licensed Product receives [*] in the [*] or a [*], and the [*] required by such [*] does not

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[*], then the amount of all such milestone [*] for such Licensed Product shall be paid to CK upon receipt of such [*].

6.5 Milestone Payment Timing. The payments set forth in Sections 6.3 and 6.4 hereof shall each be due and payable by GSK to CK within forty-five (45) days of the occurrence of the milestone event set forth therein. For milestones accomplished by CK, such payment shall be due forty-five (45) days after receipt by GSK of an invoice from CK therefor to GSK, subject to GSK's verification during such forty-five (45) day period that the milestone occurred. GSK and CK agree to promptly notify the other of its achievement of any milestone.

6.6 Earned Royalties For Licensed Products. GSK shall pay CK a royalty on worldwide Net Sales of Licensed Products by GSK, its Affiliates or Sublicensees. Such royalty shall be paid based on the total annual worldwide Net Sales for each calendar year, on a Licensed Product-by-Licensed Product basis.

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6.6.1 General. Subject to Section 6.6.2 below, the annual royalty rate for a particular Licensed Product in a given year shall be determined by the total worldwide annual Net Sales of such Licensed Product for the particular calendar year, according to the following schedules.

(a) For each Licensed Product that [*]:

Total Annual Net Sales	Royalty

Less than $[*]	[*]%
Between $[*] and $[*]	[*]%
Greater than $[*]	[*]%

(b) For each Licensed Product that [*]:

Total Annual Net Sales	Royalty
Less than $[*]	[*]%
Between $[*] and $[*]	[*]%
Greater than $[*]	[*]%

6.6.2 Licensed Products Subject to Co-Funding Option. With respect to Licensed Products for which CK has exercised its Co-Funding Option pursuant to Section 3.4, the annual royalty rate for a particular Licensed Product in a given calendar year shall be determined by the total annual worldwide Net Sales of such Licensed Product in that calendar year and the percentage of Later Stage Development Costs for such Licensed Product that CK elected to fund, according to the following schedules.

(a) If CK elected to fund the Later Stage Development Costs with respect to a Co-Funded Product at a CK Percentage of [*] percent ([*]%),

(i) For each Licensed Product [*]:

Total Annual Net Sales	Royalty
Less than $[*]	[*]%
Between $[*] and $[*]	[*]%
Greater than $[*]	[*]%

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(ii)For each Licensed Product that [*]:

Total Annual Net Sales	Royalty
Less than $[*]	[*]%
Between $[*] and $[*]	[*]%
Greater than $[*]	[*]%

(b) If CK elected to fund the Later Stage Development Costs with respect to a Co-Funded Product at a CK Percentage of [*] percent ([*]%),

(i) For each Licensed Product that [*]:

Total Annual Net Sales	Royalty
Less than $[*]	[*]%
Between $[*] and $[*]	[*]%
Greater than $[*]	[*]%

(ii)For each Licensed Product that [*]:

Total Annual Net Sales	Royalty
Less than $[*]	[*]%
Between $[*] and $[*]	[*]%
Greater than $[*]	[*]%

(c) For any particular Co-Funded Product for which CK terminates its obligation to fund Later Stage Development Costs under Section 3.4.2(e), GSK shall pay the royalty rate under this Section 6.6.2 corresponding to the CK Percentage elected by CK for such Co-Funded Product; provided that GSK's obligation to pay the royalty rate set forth in this Section 6.6.2 for Net Sales of such Co-Funded Product shall continue only until such time as the difference between the cumulative royalties paid under this Section 6.6.2 for such Co-Funded Product, and the cumulative royalties for Net Sales of such Co-Funded Product that would have otherwise been payable under Section 6.6 if CK had not exercised its Co-Funding Option, equals the amount paid by CK to GSK for Later Stage Development Costs, plus interest at a rate of [*] percent ([*]%) per annum, for such Co-Funded Product prior to the effective date of the termination. Thereafter, GSK shall pay royalties on Net Sales of such Co-Funded Product according to Section 6.6.1.

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6.6.3 Other.

(a) For purposes of determining the royalty rates applicable hereunder, it is understood that "total annual Net Sales" shall be determined on a world-wide, calendar year basis, and shall be determined separately for each separate Licensed Product.

(b) Further, it is understood that if the total annual Net Sales for a particular calendar year are within a particular Net Sales range, as reflected in the tables in paragraphs (a) or (b) of either 6.6.1 or 6.6.2 above, then the royalty corresponding to such range shall apply to all total Net Sales for the particular calendar year (i.e., not just to those Net Sales within the range). For example, for a Licensed Product [*] covered by Section 6.6.1(a) above, if the total Net Sales in a particular calendar year are $[*], then the royalty for all Net Sales of such Licensed Product for such calendar year shall equal [*] percent ([*]%). Eighteen (18) months after the date of the initial commercial sale of a Licensed Product in the Territory, GSK and CK shall agree upon a reasonable mechanism to smooth out the quarterly payment of royalties based on the expected levels of Net Sales of Licensed Products for the particular calendar year, and the corresponding royalty expected to be due for such calendar year, so that the royalties paid for each quarter shall equal as approximately as practical the actual royalty that will be payable for the calendar year in which such quarter occurs, based on the application of this Section 6.6.

(c) GSK agrees to establish list prices and discounts for each Licensed Product in the best interests of such Licensed Product, taking into account the competitive environment, product profile and commercial potential of the Licensed Product. Without limiting the foregoing, GSK agrees that it shall establish list prices and discounts for each Licensed Product in a manner to maximize the commercial success of the Licensed Product in a particular country. Such pricing and discounting decisions shall take into consideration their impact on CK.

6.7 Term For Royalty Payment. Royalties payable under Section 6.6 shall be paid on a country-by-country basis from the date of the first commercial sale of each Licensed Product with respect to which royalty payments are due for a period which is the longer of:

(i) the expiration of the last to expire Patent in such country covering the composition of matter or use of a Compound or Licensed Product; or

(ii)[*] ([*]) years following the date of the first commercial sale of such Licensed Product in such country.

6.8 Payment; Foreign Exchange. All payments under this Agreement shall be made from the United States by a United States entity or from the United Kingdom by a U.K. entity. The remittance of royalties payable on Net Sales will be payable in U.S. dollars to a bank and to an account designated by CK using a rate of exchange of the currency in which the Net Sales occurred with U.S. dollars, as published in the Wall Street Journal on the last day of the quarter for which such payment was due.

6.9 Taxes. Subject to Section 12.5, in the event that GSK is required to withhold and remit any tax to the revenue authorities in any country in the Territory regarding any milestone

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payment or royalties payable to CK due to the laws of such country, such amount shall be withheld by GSK, and GSK shall notify CK and promptly furnish CK with copies of any documentation evidencing such withholding.

6.10 Timing of Royalty Payments and Reports. Royalty payments under this Agreement shall be made to CK or its designee quarterly within sixty (60) days following the end of each calendar quarter for which royalties are due. Each royalty payment shall be accompanied by a report summarizing the Net Sales during the relevant three (3) month period.

6.11 Accounting. The Parties shall maintain complete and accurate records, in accordance with generally accepted accounting practices, which are relevant to costs, expenses and payments under this Agreement. Such records shall be open during reasonable business hours for examination at the other Party's expense, upon written notice to the other Party, and not more often than once each year by a certified public accountant or other representative selected by the Party for the sole purpose of verifying the correctness of calculations or such costs, expenses or payments made under this Agreement. In the event that such examination establishes a discrepancy for any period covered by such examination in excess of [*] percent ([*]%), the Party owing any payment shall reimburse the other Party for such unpaid amount in addition to the expense of the examination. Any records or accounting information received from the other Party shall be Confidential Information for purposes of Article IX.

6.12 [*].

6.12.1 Right of [*]. In the event that (i) it becomes necessary for [*] to [*] under [*] of a Third Party, where such [*] or [*] of a Development Compound comprising a Licensed Product, or the [*] or [*] (as defined below) of the Collaboration Target to which such Licensed Product is directed, which Development Compound or Collaboration Target is within the CK Existing

Technology or consists of Collaboration or Post-Collaboration Technology owned solely or jointly by CK, and such [*] would [*] or [*] of such Licensed Product (but not, for example, by reason of its [*] or [*]), and (ii) [*] must [*] such Third Party for such [*] on [*] such Licensed Product [*], [*] may [*] that [*] of the [*] to such Third Party as the Parties agree under [*] below, but in no event more than [*] percent ([*]%) of such [*], against [*] on [*] of such Licensed Product [*], subject in each case to the [*] of [*] specified in [*] below. [*] shall not be entitled to such [*] in [*] of the [*] in the event the [*] of such Third Party for which such [*] have been incurred are [*] or [*]. For purposes of this Section 6.12.1, a [*] shall "[*] of the Collaboration Target" if such [*] a [*] or [*] by [*] of such Collaboration Target.

6.12.2 Consultation; Disputes. [*] shall consult with [*] prior to entering into any [*] with a Third Party for which [*] would seek to [*] under this Section 6.12, and shall take into account reasonable suggestions of [*] with respect to such proposed [*]. Any dispute under this Section 6.12, including any dispute as to whether such a [*] is necessary, shall be resolved in accordance with Section 12.3.1 below.

6.12.3 [*]. In addition to the [*], it is understood that on a case-by-case basis, GSK and CK may agree that it would be in their mutual best interests to [*] a [*] for [*] with a Licensed Product, and in such case may similarly agree that it would be in their mutual best interests to [*]

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with respect to such [*]; provided, however, that neither Party shall be obligated to agree to any such [*] or [*], and no such [*] shall be made unless so agreed.

6.13 [*] in [*] for [*]. If, during the Exclusivity Period or Extension Period, as applicable, [*] occurs in [*] or [*] of the [*] between a Licensed Product being marketed and sold under this Agreement by GSK, its Affiliates or Sublicensees and any [*] (as defined below) [*] and [*] (other than a GSK Affiliate or Sublicensee), and for so long as such [*] is [*] and [*] in such [*] or [*] of [*], and [*] of such [*] percent ([*]%) of the total [*] of such [*] and the Licensed Product in the [*] in such Contract Year, the [*] in respect of such [*] or [*] shall be [*] to the extent provided in Section [*] below. GSK shall give CK [*] of such [*] with suitable and reasonable supporting documentation. Any [*] in the [*] as a result of such [*] shall apply from the [*] by GSK to CK of such [*] and shall be [*] only for the period such [*], subject in each case to Section [*] below. For the purposes of this Section 6.13, a "[*]" shall mean any [*] (other than a Licensed Product sold by or under authority of GSK) containing the [*] as the [*] in the Licensed Product being sold by GSK, or its Affiliate or Sublicensee in [*], and which [*] the Licensed Product in the [*] or [*].

6.14 Conditions to [*]; Amount of [*].

6.14.1 Conditions to [*]. It is understood that, if [*] of a Licensed Product [*] are [*] by the [*] or by [*], [*] will be [*] by [*] due to [*]. Consequently, the Parties acknowledge that Sections 6.12 and 6.13 are intended only to avoid a [*] on [*] in the event described herein. Accordingly, notwithstanding Section 6.12 or 6.13 above, the [*] with respect to [*] of a Licensed Product [*] shall only be [*] if [*] and [*] of such Licensed Product in [*] have been [*] by reason of either [*] or [*], and the [*] would create [*] between GSK and CK with respect to the [*] of such Licensed Product in [*] without a [*] under Section 6.12 or 6.13, as applicable. In addition, (i) before any [*] under Section 6.12 or 6.13 shall take effect, GSK shall consult with CK as to measures that can reasonably be taken to [*] of such [*] or [*], and (ii) [*] under Section 6.12 or 6.13 shall continue only if GSK reasonably initiates and continues to progress such [*]; and (iii) any [*] under Section 6.12 or 6.13 shall continue only if GSK continues to pursue all reasonably available legal measures that could [*] or [*] for [*] or [*] or [*], as applicable, including the [*] of any [*] that could [*] or [*] of a [*], directly or indirectly, and the [*] of any applicable [*] or [*] that could affect the [*].

6.14.2 Amount of [*]. The amount of the [*] under Sections 6.12 and 6.13 shall be reasonably agreed by GSK and CK, taking into account the factors described in this Section 6.14 above, provided that the [*] otherwise [*] on such [*] shall not be so [*], after [*] or [*] under this Agreement, if any, to [*] specified in the tables below:

(a) For Licensed Products [*]:

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	NO CO-FUNDING	[*]% CO-FUNDING	[*]% CO-FUNDING
TOTAL ANNUAL NET SALES			
< $[*]	[*]%	[*]%	[*]%
$[*] - $[*]	[*]%	[*]%	[*]%
> $[*]	[*]%	[*]%	[*]%

(b) For Licensed Products that [*]:

	NO CO-FUNDING	[*]% CO-FUNDING	[*]% CO-FUNDING
TOTAL ANNUAL NET SALES			
< $[*]	[*]%	[*]%	[*]%
$[*] - $[*]	[*]%	[*]%	[*]%
> $[*]	[*]%	[*]%	[*]%

Accordingly, under the foregoing table, (i) if Net Sales of a particular Licensed Product are less than [*] U.S. Dollars (U.S. $[*]), the royalty payable shall be [*] percent ([*]%); (ii) if Net Sales of a particular Licensed Product are between than [*] U.S. Dollars (U.S. $[*]) and [*] U.S. Dollars (U.S. $[*]), the royalty payable shall be [*] percent ([*]%); and (iii) if Net Sales of a particular Licensed Product exceed [*] U.S. Dollars (U.S. $[*]), the royalty payable shall be [*] percent ([*]%). For example, if GSK is entitled under Section 6.12 above to [*] on [*] of a Licensed Product [*] that is co-funded by CK at the [*] percent ([*]%) level, and GSK's total annual Net Sales for such Licensed Product is [*] U.S. Dollars (U.S. $[*]), then the royalties due CK shall [*] percent ([*]%).

6.14.3 In the event the Parties are unable to agree on such [*], the amount of the [*] shall be established in accordance with Section 12.3.1 below. In any event, however, the [*] shall only apply for so long as the circumstances and conditions described in Sections 6.12 and 6.13 above continue to exist, and shall only apply to [*] on [*] of the particular Licensed Product [*].

6.15 [*]. In the event that a [*] in [*] or [*], other than a GSK Affiliate or Sublicensee, for the Licensed Product, and as a result, the conditions of Section 6.13 apply, then it is understood that [*] may be entitled to a [*] in accordance with Section 6.14 above, as a result of such [*].

ARTICLE VII - COMMERCIALIZATION

7.1 Commercialization Rights. Subject to the provisions of Section 7.4 below, GSK shall be responsible for the establishment, control and implementation of the strategy, plans and budgets for marketing and promotion of the Licensed Products.

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7.2 Commercialization Committee.

7.2.1 Establishment. No later than at the initiation of the first Phase III clinical study for a Licensed Product, the Parties shall establish a Joint Commercialization Committee ("JCC"). The JCC shall have responsibility to monitor the conduct and progress of the commercialization strategy, plans, and budgets, including establishment of a plan and budget for the marketing, promotion, sale and distribution of such Licensed Product (each a "Sales and Marketing Plan"). The JCC shall update the Sales and Marketing Plan periodically, and no less often than annually, and shall include therein detailed plans and budgets for the marketing, promotion, sale and distribution of each Licensed Product.

7.2.2 Meetings; Information. The JCC shall meet at least monthly. GSK shall notify CK at least two weeks in advance of the date of each JCC meeting, and CK shall have the opportunity to send [*] to each such meeting, who shall be designated as [*] of the JCC. Either Party may replace its respective JCC representative(s) at any time with prior written notice to the other Party. GSK shall provide such [*] with schedules of all such meetings, as well as any other information distributed to GSK members of the JCC. GSK agrees to keep CK informed regarding the Sales and Marketing Plan (including by providing CK at least quarterly such reports regarding shipments and sales of Licensed Products), and the activities being undertaken with respect to the commercialization of the Licensed Product, and shall consider all reasonable suggestions of CK in formulating and implementing the Sales and Marketing Plan. GSK shall have right of final decision regarding all matters under the jurisdiction of the JCC, subject to Section 7.2.3 below.

7.2.3 Section 4.5 Products. With respect to any Licensed Product for which GSK exercised the CK Product Option under Section 4.5 above, then for all matters pertaining to such Licensed Product: (i) the JCC shall be comprised of an equal number of representatives of each of GSK and CK, (ii) decisions of the JCC shall be by majority vote, provided that if there is not an equal number of representatives of each Party voting, then only an equal number of representatives of each Party shall be entitled to vote on the matter, and (iii) notwithstanding Section 7.2.2 above, GSK shall not have the right of final decision with respect to such matters.

7.3 Commercialization Efforts.

7.3.1 Generally. GSK shall use diligent efforts to discover, research, develop and commercialize Licensed Products, and to perform its obligations under Sections 2.1, 3.1-3.3 and 7.1 of this Agreement, and to obtain the optimum commercial return for each Licensed Product in all major markets throughout the world, consistent with high professional standards for the research, development, commercialization, and marketing of pharmaceutical products of similar commercial value potential. GSK shall develop and commercialize Licensed Products in the best interests of maximizing the success of such Licensed Product.

7.3.2 Reversion to CK. If after the second anniversary of the Exclusivity Period, or with respect to a particular Collaboration Target that was an Extended Target, the second anniversary of the end of the Extension Period under Section 4.2 with respect to such Collaboration Target, (i) GSK is not actively and diligently performing IND Enabling Studies, or human clinical trials or pursuing Marketing Approval with respect to a Development Compound or Licensed

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Product directed to a Collaboration Target, and (ii) is not then actively marketing a Licensed Product directed to such Collaboration Target, then such Target shall cease to be a Collaboration Target for all purposes of this Agreement and shall thereafter be deemed a CK Target. Notwithstanding the foregoing, if prior to or during the period described in this Section 7.3.2, GSK has conducted IND Enabling Studies or clinical trials of a Development Compound or Licensed Product directed to a particular Collaboration Target, but later ceased such Studies or trials, then such Target shall not so cease to be a Collaboration Target by reason of this Section 7.3.2 if GSK has then ongoing and is actively conducting a [*] Program with respect to such Collaboration Target, and satisfies the conditions of (i) above within thirty-six (36) months after the prior IND Enabling Studies and clinical trials ceased, whichever is later. It is understood that this Section 7.3.2 shall not be deemed to limit Sections 4.2.1 or 7.3.1 above.

7.3.3 After the Exclusivity Period, if GSK acquires a product that is directed to a Mitotic Kinesin Target, GSK shall continue to commit resources to the discovery, development and commercialization of Compounds, Development Compounds and Licensed Products hereunder for their maximal commercial success and in a manner that will not disadvantage the Licensed Product to the benefit of the newly acquired product. In addition, in the event GSK is required by a regulatory agency to divest a Licensed Product in North America or a Major European Country, CK shall have the first right to negotiate with GSK to acquire full rights to such Licensed Product on commercially reasonable terms. GSK shall provide written notice to CK of its intent to divest the Licensed Product prior to entering into any agreement with a Third Party, shall use commercially reasonable efforts to reach such an agreement with CK, and shall provide reasonable assistance to CK with respect to its discussions with the relevant governmental authority(ies) overseeing the divestiture of such Licensed Product, including encouraging the relevant governmental authority(ies) to select CK as the acquirer of the Licensed Product. It is understood that any agreement for CK's acquisition of the Licensed Product would be subject to agreement between the Parties on the financial terms and other conditions of CK's acquisition of the Licensed Product.

7.4 Co-Promotion Option of CK. Provided that CK has exercised its Co-Funding Option under Section 3.4 or 4.5.2(d) with respect to a Licensed Product, at any time prior to the MAA submission for a Licensed Product in the United States and Canada (respectively), CK will have an option (the "Co-Promotion Option") to co-promote such Licensed Product in the United States and/or Canada (respectively) according to the terms and conditions set forth in this Section 7.4. This Co-Promotion Option may be exercised, at CK's discretion, on a product-by-product basis, for each Licensed Product with respect to which CK has exercised its Co-Funding Option and has participated in funding [*] for such Licensed Product under Section 3.4 or for which GSK exercised the CK Product Option under Section 4.5 above. CK shall notify GSK of its intent to exercise its Co-Promotion Option with respect to a particular Licensed Product at any time prior to submission of an MAA for such Licensed Product (each such Licensed Product for which CK exercises the Co-Promotion Option being referred as a "Co-Promoted Product"). As used in this Section 7.4, "co-promote" shall mean to promote jointly a Licensed Product through GSK and CK's respective sales forces under a single trademark in a given country; "details" shall mean face-to-face sales presentations made to physicians, nurses, pharmacists and other individuals who provide health care services to patients, in their capacity as such.

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7.4.1 Scope of Co-Promotion. At such time as CK exercises its Co-Promotion Option with respect to a Co-Promoted Product, it shall notify GSK of the [*] that CK intends to perform annually for such Co-Promoted Product

(such total being referred to as the "Co-Promotion Percentage" for such Co-Promoted Product) in each of the United States and Canada. This Co-Promotion Percentage shall not be greater than [*] percent ([*]%), nor less than [*] percent ([*]%), of the [*], in each of the United States and Canada, [*] to be conducted for such Co-Promoted Product in any calendar year, unless otherwise agreed by the Joint Commercialization Committee. CK shall have the right to [*] over the initial [*] ([*]) years of co-promoting a Co-Promoted Product; provided that CK must commit to [*] at least [*] percent ([*]%) of [*] in the [*], and [*] percent ([*]%) of such commitment in the [*], calendar year of such Co-Promoted Products.

7.4.2 [*]. The Parties recognize that CK, under its Co-Promotion Option, may receive orders from Third Parties for the Co-Promoted Product. CK shall transmit such orders to GSK and [*].

7.4.3 Co-Promotion Coordination. The JCC shall be responsible for coordinating the co-promotion activities under this Section 7.4, and shall develop the strategies and programs to optimally carry-out details, including but not limited to, the assignment of details in accordance with the Sales and Marketing Plan. In the event CK exercises its Co-Promotion Option, the Sales and Marketing Plan shall include detailed plans and budgets for the [*], and shall at all times provide for CK sales representatives to conduct the [*] to be conducted in the particular country (subject to CK's right to [*] CK's [*], as described in Section 7.4.1 above); provided that such [*] be [*], and that [*] will include at least a [*] in the particular therapeutic areas.

7.4.4 Co-Promotion Obligations. CK shall employ a professional and trained sales force to co-promote the Co-Promoted Product in the country(s) in which it has elected to co-promote, and such sales force shall meet standards of competence and professionalism as is common in the pharmaceutical industry. With the prior written consent of GSK (which shall not be withheld or delayed unreasonably), CK may sub-contract its Co-Promotion obligations to a Third Party, provided that CK has the right to approve the hiring of sales personnel performing details for a Licensed Product hereunder and to cause the removal from such detailing activities of such sales personnel. In all events, CK's Co-Promotion and detailing shall be conducted in accordance with the then current Sales and Marketing Plan and in accordance with all applicable laws. [*] (including samples) as are reasonably necessary to effectively promote the particular Co-Promoted Product consistent with the Sales and Marketing Plan.

7.4.5 Reimbursement. GSK shall reimburse CK for the costs incurred by CK in [*] in accordance with this Section 7.4, [*]. Promptly following CK's exercise of the Co-Promotion Option for a particular Co-Promoted Product, the Parties shall reasonably agree [*] to be paid to CK for [*] performed by CK in accordance with the Sales and Marketing Plan then in effect (the "[*]"). Such [*] shall equal CK's [*] cost of performing [*] over the particular period, on a fully allocated basis, provided that the [*] shall not exceed [*] for the Co-Promoted Product ([*]) for the [*] period. The [*] shall be paid to CK quarterly in advance, based on the [*] budgeted to be conducted by CK during such quarter under the Sales and Marketing Plan. Promptly following the end of each calendar quarter, CK shall provide to GSK a report, in a form reasonably agreed by the Parties, summarizing the [*] actually [*] during such quarter. In the event the actual [*] was less than the [*]

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for which CK received advance payment, then GSK shall be entitled to a credit for the [*] associated with such shortfall against the next payment due to CK under this Section 7.4.5.

7.4.6 CK and GSK Right to Terminate. CK shall have the right to terminate its Co-Promotion of any Co-Promoted Product, and its obligations under this Article VII with respect to such Product, on a product-by-product, country-by-country basis, upon [*] ([*]) days prior notice to GSK. Upon such termination by CK, CK shall have no further right to [*] under Section 7.4.5, other than for services provided prior to the date of termination. GSK shall have the right to terminate CK's Co-Promotion of any Co-Promoted Product, on a

product-by-product, country-by-country basis, upon [*] ([*]) days prior notice to CK, in the event that employees or consultants promoting the Co-Promoted Product, do not perform in accordance with GSK's Sales and Marketing Plan for the Co-Promoted Product, and CK fails to correct such non-performance during such [*]-day period. Upon such termination by GSK, CK shall have no further right to [*] under Section 7.4.5, other than for services provided prior to the date of termination.

7.5 CK Logo. The name and logo of CK shall appear, with reasonable size and prominence, on all packaging, package inserts, labeling, marketing and sales materials and advertisements for Licensed Products for which CK exercised the Co-Funding Option under Section 3.4 above. In the case of such Co-Funded Products that became Licensed Products pursuant to Section 4.5 above, the name and logos of CK and GSK shall be of equal size and prominence.

ARTICLE VIII - OWNERSHIP OF INTELLECTUAL PROPERTY AND PATENT RIGHTS

8.1 Ownership.

8.1.1 Generally. Each Party shall retain all of its rights, title and interest in and to its Existing Technology, including the right to transfer or license such intellectual property to others for any purpose, subject only to its obligations under this Agreement, including but not limited to the exclusivity obligations below. All right, title and interest in and to all inventions made solely by personnel of a Party shall be owned by such Party. All right, title and interest in and to all other inventions made jointly by personnel of GSK and CK shall be jointly owned by GSK and CK in equal and undivided shares. Except as expressly provided in this Agreement, neither Party shall have any obligation to account to the other for profits, or to obtain any consent of the other Party to license or exploit patented jointly-owned subject matter, by reason of joint ownership thereof, and each Party hereby waives any right it may have under the laws of any jurisdiction to require any such consent or accounting.

8.1.2 CK Targets. Notwithstanding the foregoing, all inventions and Information (including all Patents and intellectual property rights in such inventions and Information) made by CK personnel in connection with activities specifically pertaining to CK Targets, CK Compounds or CK Products shall be owned by CK. All inventions and Information (including all Patents and intellectual property rights in such inventions and Information) made by GSK personnel in connection with activities specifically pertaining to CK Targets, CK Compounds or CK Products shall be owned by GSK, and GSK hereby grants to CK an exclusive, worldwide license, with the right to grant and authorize sublicenses, to make, have made, use, sell, offer for sale, import and otherwise exploit subject matter within such inventions, Information or intellectual property. It is

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understood that the inventions and Information licensed to CK under this Section shall be limited to inventions and Information that pertain to CK Targets, CK Compounds or CK Products prior to their designation as such (e.g., with respect to CK Targets prior to the time that the particular Mitotic Kinesin Target had been designated as a CK Target).

8.2 Patent Filings. The Party responsible for Prosecution and Maintenance (as defined below) of patents covering inventions within the Collaboration Technology or Post-Collaboration Technology shall use [*] to obtain a reasonable scope of protection of Compounds and CK Compounds, and will consider in good faith reasonable comments provided by the other Party.

8.2.1 Joint Patents. The Prosecution and Maintenance of jointly owned Patents shall be only as mutually agreed by GSK and CK. In such connection, the Parties agree to cooperate in good faith to obtain appropriate patent protection for Compounds, Licensed Products, CK Compounds, and CK Products. Accordingly, the Parties agree to cooperate and to prepare and prosecute patent applications for Patents within the Licensed Technology

directed to such claims in a manner that ensures reasonable scope of protection for such subject matter. Subject always to the foregoing, [*] will be responsible at the expense of [*] for drafting, filing, prosecuting and maintaining any jointly owned Patent directed primarily to Compounds, including but not limited to processes for making Compounds, methods of use of Compounds or intermediates of such.

8.2.2 Solely Owned Patents. GSK or CK, as the case may be, shall control the Prosecution and Maintenance of Patents within the Collaboration Technology and Post-Collaboration Technology that are owned by such Party, in each case [*] and using counsel of its choice and in such countries as such Party determines is appropriate.

8.2.3 Other Matters Pertaining to Prosecution of Patents.

(a) Disclosure. Prior to the filing of any patent claiming Collaboration Technology, the JRC shall establish a subcommittee to coordinate Prosecution and Maintenance of patents covering inventions within the Collaboration Technology and Post-Collaboration Technology (the "Patent Subcommittee"). After the end of the Research Term, the Patent Subcommittee shall report to the JSC. Prior to filing any patent application claiming Collaboration Technology or Post-Collaboration Technology, each Party shall submit to the Patent Subcommittee an invention disclosure containing such information and in a form to be mutually agreed by the Parties. Each Party shall keep the Patent Subcommittee informed as to material developments with respect to the Prosecution and Maintenance of Patents claiming Collaboration Technology or Post-Collaboration Technology, including without limitation, by providing upon request copies of any substantive documents that such Party receives from any patent office, including notice of all interferences, reissues, re-examinations, oppositions or requests for patent term extensions, and by providing the other Party the opportunity to have reasonable input into the strategic aspects of such Prosecution and Maintenance. Without limiting the foregoing, neither Party shall file an application for such a Patent unless it has first disclosed the same to the Patent Subcommittee.

(b) If, during the term of this Agreement, the Party responsible for prosecuting a Patent within the Collaboration Technology or Post-Collaboration Technology, as specified in this Section 8.2, (the "Prosecuting Party") intends to allow such Patent to lapse or

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become abandoned without having first filed a substitute, the Prosecuting Party shall, whenever practicable, notify the other Party of such intention at least sixty (60) days prior to the date upon which such Patent shall lapse or become abandoned, and such other Party shall thereupon have the right, but not the obligation, to assume responsibility for the Prosecution and Maintenance and defense thereof at its own expense with counsel of its own choice.

(c) "Prosecution and Maintenance" or "Prosecute and Maintain" with regard to a Patent shall mean the preparing, filing, prosecuting and maintenance of such Patent, as well as re-examinations, reissues, requests for patent term extensions and the like with respect to such Patent, together with the conduct of interferences, the defense of oppositions and other similar proceedings with respect to the particular Patent.

8.3 Patent Costs.

8.3.1 Collaboration and Post-Collaboration Technology. Each Party shall be responsible for costs associated with the Prosecution and Maintenance of such Patents within the Collaboration Technology or Post-Collaboration Technology that it owns solely. CK and GSK shall share the Patent Costs associated with the Prosecution and Maintenance of jointly owned Patents, as the Parties agree.

8.3.2 CK and GSK Existing Technology. CK shall be responsible for [*] percent ([*]%) of the Patent Costs incurred by CK prior to and after the

Effective Date in all countries in the Territory with respect to CK Existing Technology. GSK shall be responsible for [*] percent ([*]%) of the Patent Costs incurred by GSK prior to and after the Effective Date in all countries in the Territory with respect to GSK Existing Technology. If a Party chooses not to Prosecute and Maintain a Patent within its Existing Technology that it solely owns in a country or countries of the Territory, it shall use [*] efforts to promptly notify the other Party of its decision, and, if such patent pertains to a Collaboration Target, Compound, Development Compound, Licensed Product, CK Compound or CK Product licensed to the other Party hereunder, the other Party shall have the right to Prosecute and Maintain such Patent and at its own expense with counsel of its own choice.

8.3.3 Definition of Patent Costs. "Patent Costs" shall mean the reasonable fees and expenses paid to outside legal counsel, and filing, maintenance and other out-of-pocket expenses paid to Third Parties, incurred in connection with the Prosecution and Maintenance of Patents.

8.4 Third Party Technologies.

8.4.1 Existing Third Party Technology. It is understood that certain Patents within the CK Existing Technology have been in-licensed pursuant to that certain Exclusive License Agreement dated April 21, 1998, as modified, among CK, the Regents of the University of California and the Board of Trustees of the Leland Stanford Junior University (the "University License"), and that CK shall be responsible for payment of all partnership and other fees required pursuant to Section 5.2 thereof. As required for the furtherance of the objectives of this Agreement, CK shall use [*] to maintain the University License and to timely pay all fees due under the University License. Should CK be unable to make any payment required under the University

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License, it shall notify GSK, and GSK shall thereupon have the option to make such payment on behalf of CK and to seek reimbursement from CK for such payment.

8.4.2 Acquired After Effective Date. In addition, if after the Effective Date, CK or GSK (the "Sublicensing Party") acquire from a Third Party subject matter within the Licensed Technology ("Third Party Technology"), but that is subject to royalty or other payment obligations to the Third Party, then the following shall apply: The licenses granted to the other Party (the "Commercializing Party") under Section 5.2 and 5.3 above with respect to such Third Party Technology shall be subject to the Commercializing Party's promptly reimbursing the Sublicensing Party for any milestones, royalties or other amounts that become owing to such Third Party by reason of the Commercializing Party's exercise of such license or sublicense to the Third Party Technology. Upon request by the Commercializing Party, the Sublicensing Party shall disclose to the Commercializing Party a true, complete and correct written description of such payment obligations, and the Commercializing Party's obligation to reimburse such amounts following such request shall be limited to those payment obligations as so disclosed by the Commercializing Party, with any such payments made [*] under [*] (to the extent [*] applies). In the event that the Commercializing Party does not promptly reimburse the Sublicensing Party for such amounts upon request, then such Third Party Technology shall thereafter be deemed excluded from the Licensed Technology. Notwithstanding the foregoing, neither Party shall utilize in performing the Research Program any Third Party Technology that would impose a royalty or other payment obligation to a Third Party for which the other Party would become responsible under this Section 8.4.2 with respect to a Licensed Product or CK Product, unless the JRC has approved such utilization.

8.5 Enforcement Rights.

8.5.1 Defense and Settlement of Third Party Claims. If a Third Party asserts that a Patent or other right owned by it is infringed by the manufacture, use, sale or importation of any Licensed Product, [*] shall have the primary right but not the obligation to defend against any such assertions at its cost and expense. In the event [*] elects to defend against any such

Third Party claims, [*] shall have the sole right to direct the defense of any such Third Party claims and to elect to settle such claims. In any event, the Parties shall assist one another and cooperate in any such litigation at the other's request without expense to the requesting Party. Each Party may at its own expense and with its own counsel join any defense brought by the other Party.

8.5.2 Infringement by Third Parties.

(a) If any Patent within the Licensed Technology Controlled by CK is infringed by a Third Party in any country in connection with the manufacture, use and sale of a product substantially similar to a Licensed Product in such country, GSK shall have the primary right, but not the obligation to institute, prosecute, and control any action or proceeding with respect to such infringement of such Patent, by counsel of its own choice, and CK shall have the right, at its own expense, to be represented in that action by counsel of its own choice. If GSK fails to bring an action or proceeding within a period of [*] ([*]) days after a request by CK to do so, CK shall have the right to bring and control any such action by counsel of its own choice, and GSK shall have the right to be represented in any such action by counsel of its own choice at its own expense.

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(b) If any Patent within the Licensed Technology that is Controlled by GSK is infringed by the manufacture, sale or importation of a product substantially similar to a CK Product, CK shall have the primary right, but not the obligation, to institute, prosecute, and control any action or proceeding with respect to such infringement of such Patent, by counsel of its own choice, and GSK shall have the right, at its own expense, to be represented in that action by counsel of its own choice. If CK fails to bring an action or proceeding within a period of [*] ([*]) days after a request by GSK to do so, GSK shall have the right to bring and control any such action by counsel of its own choice, and CK shall have the right to be represented in any such action by counsel of its own choice at its own expense.

(c) If one Party brings any such action or proceeding in accordance with this Section 8.5.2, the second Party agrees to be joined as a party plaintiff and to give the first Party reasonable assistance and authority to file and prosecute the suit. The costs and expenses of the Party bringing suit under this Section shall be borne by such Party, and any damages or other monetary awards recovered shall be shared as follows: The amount of such recovery actually received by the Party controlling such action shall first be applied to the out-of-pocket costs of such action, and then shall be shared (a) in the event of an action with respect to an infringing product substantially similar to a Licensed Product, CK shall receive a percentage of such net recovery equal [*] that would have been payable to CK with respect to such Licensed Product (without giving effort to Sections [*] or [*] above) (e.g., if CK were entitled [*] for such Licensed Product, CK would be entitled to receive [*] of the net recovery), and GSK shall be entitled to the remainder of such net recovery; and (b) in the event of an action with respect to an infringing product substantially similar to a CK Product, GSK shall receive a percentage of such net recovery equal to [*] that would be payable to GSK under this Agreement with respect to such CK Product, and CK shall be entitled to the remainder of such net recovery. A settlement or consent judgment or other voluntary final disposition of a suit under this Section 8.5.2(c) may be entered into without the consent of the Party not bringing the suit; provided that such settlement, consent judgment or other disposition does not admit the invalidity or unenforceability of any Patent within the Licensed Technology and provided further, that any rights to continue the infringing activity in such settlement, consent judgment or other disposition shall be limited to those rights that the granting Party otherwise has the right to grant.

(d) General. Subject to Paragraphs (a), (b) and (c) above, with respect to jointly owned Patents, each Party may proceed in such manner as the law permits. Each Party shall bear its own expenses, and any recovery

obtained by either Party may be retained by such Party unless otherwise agreed.

ARTICLE IX - CONFIDENTIALITY

9.1 Confidentiality; Exceptions. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing, the Parties agree that the receiving Party shall keep confidential and shall not publish or otherwise disclose or use for any purpose other than as provided for in this Agreement any Information and other confidential and proprietary information and materials furnished to it by the other Party pursuant to this Agreement or any Information developed during the term of this Agreement (collectively, "Confidential Information"), except to the extent that it can be established by the receiving Party that such Confidential Information:

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(i) was in the lawful knowledge and possession of the receiving Party prior to the time it was disclosed to, or learned by, the receiving Party, or was otherwise developed independently by the receiving Party, as evidenced by written records kept in the ordinary course of business, or other documentary proof of actual use by the receiving Party;

(ii) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the receiving Party;

(iii) 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; or

(iv) was disclosed to the receiving Party, other than under an obligation of confidentiality, by a Third Party who had no obligation to the disclosing Party not to disclose such information to others.

9.2 Authorized Disclosure. Except as expressly provided otherwise in this Agreement, each Party may use and disclose Confidential Information of the other Party as follows: (i) under appropriate confidentiality provisions substantially equivalent to those in this Agreement, in connection with the performance of its obligations or exercise of rights granted or reserved in this Agreement (including the rights to commercialize Licensed Products and CK Products and to grant licenses and sublicenses hereunder), or (ii) to the extent such disclosure is reasonably necessary in filing or prosecuting patent, copyright and trademark applications, complying with the terms of licenses from Third Parties with respect to a Party's Existing Technology, prosecuting or defending litigation, complying with applicable governmental regulations, obtaining regulatory approval, conducting preclinical or clinical trials, marketing Licensed Products or CK Products, or otherwise required by law, provided, however, that if a Party is required by law or regulation to make any such disclosure of the other Party's Confidential Information it will, except where impracticable for necessary disclosures, for example in the event of medical emergency, give reasonable advance notice to the other Party of such disclosure requirement and, except to the extent inappropriate in the case of patent applications, will use its reasonable efforts to secure confidential treatment of such Confidential Information required to be disclosed or (iii) in communication with investors, consultants, advisors or others on a need to know basis, in each case under appropriate confidentiality provisions substantially equivalent to those of this Agreement, or (iv) to the extent mutually agreed to by the Parties.

9.3 Termination of Prior Agreement. This Agreement supersedes the Confidentiality Agreement between the Parties (or their predecessors) dated May 18, 2000 (including amendments) and the Materials Transfer Agreement between the Parties dated May 18, 2000, including all modifications. All information exchanged between the Parties under that Agreement shall be deemed Confidential Information and shall be subject to the terms of this Article IX.

9.4 Publications. Each Party shall submit any proposed publication containing Confidential Information to the other Party at least [*] ([*]) days

in advance to allow that Party to review such planned public disclosure. The reviewing Party will promptly review such proposed publication and make any objections that it may have to the publication of Confidential Information

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of the reviewing Party contained therein. Should the reviewing Party make an objection to the publication of any such Confidential Information, then the Parties shall discuss the advantages and disadvantages of publishing such Confidential Information. If the Parties are unable to agree on whether to publish the same, subject to Section 12.1 below, the JRC shall attempt to resolve the matter. If the JRC is unable to resolve the matter promptly, the Chief Executive Officer of CK and the Chairman, Research and Development, Pharmaceuticals of GSK shall reasonably agree on the extent to which the publication of such Confidential Information shall be made.

9.5 Limit on Disclosure of Information Relating to Mitotic Kinesin Targets. Notwithstanding Section 9.2(i) above:

(a) for both Parties during the Exclusivity Period and any Extension Period, on a Target-by-Target basis with respect to any Mitotic Kinesin Targets that have not been designated as a Collaboration Target or a CK Target,

(b) for CK, for the duration of its obligation under Section 4.2.3 with respect to a particular Collaboration Target and with respect to matters pertaining specifically to such Collaboration Target, and

(c) for GSK, with respect to matters relating to CK Targets,

such Party in question shall not disclose to a Third Party any CK Existing Technology, GSK Existing Technology, Collaboration Technology or Post-Collaboration Technology specifically directed to matters within the Field specifically pertaining to such Mitotic Kinesin Target(s), such as structure/activity relationship data, target validation data and the like; provided, however, that CK shall have the right to disclose such data in (b) above (other than data that is directed specifically to one or more Mitotic Kinesin Targets other than CK Targets) (i) in connection with research and development on CK Targets, CK Compounds and CK Products, or (ii) in connection with commercialization of CK Products (subject to GSK's CK Product Option under Section 4.5); and provided, further, that GSK shall have the right to disclose such data in (c) above (other than data that is directed specifically to one or more Mitotic Kinesin Targets other than Collaboration Targets) (i) in connection with research and development on Collaboration Targets, Compounds, Development Compounds and Licensed Products, or (ii) in connection with commercialization of Licensed Products. This Section 9.5 shall not be deemed to restrict CK's disclosure of any such Licensed Technology in connection with activities pertaining to (x) performance of its obligations under the Research Program, (y) [*] or [*] after such [*] are excluded from the Field pursuant to Section 2.6.4, or (z) any disclosure authorized under Section 9.2(ii), (iii) or (iv) above.

ARTICLE X - REPRESENTATIONS AND WARRANTIES; COVENANTS AND INDEMNIFICATION

10.1 Representations and Warranties. Each of the Parties hereby represents and warrants and covenants as follows:

(a) This Agreement is a legal and valid obligation binding upon such Party and enforceable in accordance with its terms. Except as otherwise noted in Exhibit 10.1

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hereto, the execution, delivery and performance of the Agreement by such Party does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it is bound, nor violate any law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it.

(b) Other than the notification requirements under the Hart-Scott-Rodino ("HSR") Act and approval of the transaction contemplated by this Agreement by the Federal Trade Commission ("FTC"), no government authorization, consent, approval, license, exemption of or filing or registration with any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, under any applicable laws, rules or regulations currently in effect, is or will be necessary for, or in connection with, the transaction contemplated by this Agreement or any other agreement or instrument executed in connection herewith, or for the performance by it of its obligations under this Agreement and such other agreements.

(c) Each Party has not, and during the term of the Agreement will not, grant any right to any Third Party relating to its respective technology in the Field which conflicts with the rights granted to the other Party hereunder. Each Party will not, during the Exclusivity Period or Extension Period, as applicable, encumber its respective CK Patents or GSK Patents within the Licensed Technology, as applicable, with liens, mortgages, security interests or another similar interest that would give the holder the right to convert the interest into patent ownership, unless the encumbrance is expressly subject to the licenses herein.

(d) Each Party owns or otherwise controls all of the rights, title and interest in and to its Patents and Know-How within the Licensed Technology.

(e) Each Party has no present knowledge from which it concludes that the CK Patents or GSK Patents within the Licensed Technology, as applicable, are invalid or that their exercise would infringe patent rights of Third Parties.

(f) Each Party has not omitted to furnish the other with any information requested by the other Party, or intentionally concealed from the other Party any information in its possession concerning the Mitotic Kinesin Targets or the transactions contemplated by this Agreement which would be material to the other Party's decision to enter into this Agreement and to undertake the commitments and obligations set forth herein.

10.2 Indemnification.

10.2.1 Indemnification by GSK. GSK hereby agrees to indemnify, defend and hold CK and its agents, directors and employees harmless from and against any and all suits, claims, actions, demands, liabilities, expenses and/or loss, including reasonable legal expense and attorney's fees ("Losses") resulting directly from the development, manufacture, use, handling, storage, sale or other disposition of chemical agents or Licensed Products by GSK, its Affiliates, agents or Sublicensees.

10.2.2 Indemnification by CK. CK hereby agrees to indemnify, defend and hold GSK and its agents, directors and employees harmless from and against any and all Losses resulting

directly from the development, manufacture, use, handling, storage, sale or other disposition of chemical agents or CK Products by CK, its Affiliates, agents or Sublicensees.

10.2.3 Procedure. In the event a Party is seeking indemnification under Sections 10.2.1 or 10.2.2, it shall inform the other Party (the "Indemnifying Party") of a claim as soon as reasonably practicable after it receives notice of the claim, shall permit the Indemnifying Party to assume direction and control of the defense of the claim (including the right to settle the claim) and shall cooperate as requested (at the expense of the Indemnifying Party) in the defense of the claim.

10.3. Covenants of the Parties.

(a) Upon the terms and subject to the conditions hereof, each of the Parties hereto shall use its good faith efforts, before the Closing to (i) take, or cause to be taken, all actions necessary, proper or advisable under applicable law or otherwise to consummate and make effective the transactions contemplated by this Agreement, (ii) make all necessary filings, and thereafter make any other advisable submissions, with respect to this Agreement and the transactions contemplated by this Agreement required under the HSR Act; provided that, with respect to this clause (a), neither GSK nor CK shall be required to agree to any modification or amendment that, in the reasonable opinion of the Party's legal and/or financial counsel, would be adverse to such Party. The Parties hereto shall cooperate with each other in connection with the making of all such filings. The Parties hereto shall furnish all information required for any application or other filing to be made pursuant to the rules and regulations of any applicable law in connection with the transactions contemplated by this Agreement.

(b) GSK and CK shall file as soon as practicable (but not later than five (5) business days) after the Effective Date notifications under the HSR Act and shall respond as promptly as practicable to all inquiries or requests received from the FTC, the Antitrust Division of the Department of Justice, for additional information or documentation and shall respond as promptly as practicable to all inquiries and requests received from any such authority (including any state attorney general) in connection with antitrust matters. The Parties shall cooperate with each other in connection with the making of all such filings or responses. GSK agrees to pay the filing fees and all associated costs for required HSR filings related to this Agreement.

ARTICLE XI - TERM AND TERMINATION

11.1 Term. Unless earlier terminated, the Agreement and the payment obligations under Article VI will continue in effect, on a product-by-product and country-by-country basis until the later of (i) the expiration of the last to expire Patent within the Licensed Technology covering such Compound or Licensed Product in such country, or (ii) fifteen (15) years after the date of the first commercial sale of such Licensed Product in such country. Effective upon the expiration (but not earlier termination) of this Agreement, CK hereby grants to GSK a fully-paid-up, royalty-free license under CK Existing Technology and CK's interest in Collaboration Technology and Post-Collaboration Technology to make, have made, use and sell the Development Compounds and Licensed Products in the Territory without further payment or consideration to CK. Effective upon the expiration of this Agreement, GSK hereby grants to CK a fully-paid-up, royalty-free license,

under GSK Existing Technology and GSK's interest in Collaboration Technology and Post-Collaboration Technology, to make, have made, use and sell the CK Compounds and CK Products, in the Territory without further payment or consideration to GSK.

11.1.1 Termination Prior to Closing. This Agreement may be terminated at any time prior to the Closing:

(a) by GSK or CK, if all applicable waiting periods for the HSR filing made in connection with this Agreement have not lapsed or been terminated early by August 1, 2001 or the FTC initiates an investigation into the transaction contemplated by this Agreement; or

(b) by GSK or CK, if the Closing has not occurred by August 1, 2001; or

(c) by the mutual written consent of GSK and CK.

11.2 Termination For Breach. Either Party may terminate this Agreement in the event the other Party shall have materially breached or defaulted in the performance of any of its material obligations hereunder, and such default shall have continued for ninety (90) days after written notice thereof was provided to the breaching party by the non-breaching party. Any termination shall become effective at the end of such ninety (90) day period unless the breaching party

(or any other party on its behalf) has cured any such breach or default prior to the expiration of the ninety (90) day period.

11.3 Termination Upon Notice.

11.3.1 Termination by GSK on Notice. GSK may terminate this Agreement upon six (6) months written notice to CK, provided that such notice is given after the fifth anniversary of the Effective Date; and provided further that if GSK extends the Research Term in accordance with Section 2.8 above, such termination may not take effect prior to the end of the Research Term.

11.3.2 Termination by GSK on a Product-by-Product Basis. In addition GSK may terminate this Agreement as to any particular Licensed Product by so notifying CK, which termination shall be effective six (6) months after the date of such notice; provided, however, if the Research Term has ended and as a result of such termination: (i) GSK is not actively performing substantial research and/or development activities with respect to a Collaboration Target or any Compound, Development Compound or Licensed Product directed to the Collaboration Target that is so terminated, and is not then actively marketing a Licensed Product directed to such Collaboration Target, then such Target shall cease to be a Collaboration Target for all purposes of this Agreement, and shall thereafter be deemed a CK Target; or (ii) GSK is not then actively pursuing substantial research and/or development activities or human clinical trials with respect to any Collaboration Target, Compound, Development Compound or Licensed Product directed to any Collaboration Target, and is not then actively marketing a Licensed Product directed to any Collaboration Target, then the termination of such Licensed Product shall be deemed a termination of this Agreement in its entirety under Section 11.3.1 above. This Section 11.3.2 shall not be deemed to limit Sections 4.2.1 or 7.3.2 above.

11.3.3 Termination by CK on Notice. If at any time after the Research Term the conditions in clause (ii) of Section 11.3.2 above are met (i.e., regardless of whether GSK has formally terminated a particular Licensed Product under Section 11.3.2), CK shall have the right to terminate this Agreement upon six (6) months notice to GSK.

11.4 Termination on Bankruptcy. Either Party may terminate this Agreement, if, at any time, the other Party shall file in any court or agency pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of the Party or of substantially all of its assets, or if the other Party proposes a written agreement of composition or extension of substantially all of its debts, or if the other Party shall be served with an involuntary petition against it, filed in any insolvency proceeding, and such petition shall not be dismissed within sixty (60) days after the filing thereof, or if the other Party shall propose or be a party to any dissolution or liquidation, unless in connection with such dissolution or liquidation this Agreement is assigned under Section 12.5, or if the other Party shall make an assignment of substantially all of its assets for the benefit of creditors.

11.5 Intentionally left blank.

11.6 Certain Payment Terms.

11.6.1 Milestone Payments. Notwithstanding anything herein to the contrary, GSK shall not be obligated to pay any payment otherwise payable under Section 6.3 as a result of occurrence of a Research Performance Milestone or under Section 6.4 as the result of occurrence of a Development Milestone if the Research Performance Milestone or Development Milestone occurs after (i) a termination notice is properly given pursuant to Section 11.3 above or (ii) a termination pursuant to Section 11.2 above by reason of a breach by CK. Similarly, in the event that GSK terminates this Agreement with respect to a particular Licensed Product in accordance with Section 11.3.2 above, GSK shall not be obligated to pay any payment under Section 6.4 above as the result of occurrence of a Development Milestone with respect to such terminated Licensed Product if the milestone event occurs after a notice of such termination is properly given by GSK pursuant to Section 11.3.2.

11.7 Effect of Termination.

11.7.1 Termination Prior to Closing. Notwithstanding any other provision of this Agreement, in the event that this Agreement is terminated pursuant to Section 11.1.1, this Agreement shall be deemed terminated ab initio, and notwithstanding Section 11.7.3 below, no provisions of this Agreement shall survive such termination. All amounts paid prior to the date of such termination shall be non-refundable; provided that CK shall promptly reimburse to GSK any amounts paid to CK under Sections 3.1.2 (a), 6.2 or 6.3 above. All Confidential Information disclosed prior to such termination shall be deemed Confidential Information pursuant to the Confidentiality Agreement (as amended) between the Parties dated May 18, 2000, which Confidentiality Agreement shall survive.

11.7.2 Accrued Rights, Surviving Obligations. Termination, relinquishment or expiration of the Agreement for any reason shall be without prejudice to any obligations which shall

have accrued prior to such termination, relinquishment or expiration, including, without limitation, the payment obligations under Article 6 hereof and any and all damages arising from any breach hereunder.

11.7.3 Survival. Except as provided under Section 11.7.1, Articles 1, 10, 11 and 12 (other than Section 12.2) and Sections 8.1, 8.3, 9.1, and 9.2 shall survive the expiration and any termination of this Agreement; and Article 5 shall survive the expiration but not an earlier termination (except as provided below) of this Agreement. In addition, the following provisions shall survive termination of this Agreement in the events set forth below:

(a) Certain Terminations. In the event of a termination of this Agreement pursuant to Section 11.3, or termination by CK pursuant to Section 11.2: (i) Section 4.4.2 shall survive, and all Licensed Products, Compounds and Collaboration Targets shall be deemed CK Products, CK Compounds and CK Targets, respectively; (ii) without limiting any other provisions of this Section 11.7.3, CK's rights and GSK's obligations (but not GSK's rights or CK's obligations) under Sections 2.4, 8.2.3 and 8.4.2 and under the last two sentences of Section 3.2 shall survive; (iii) Sections 5.3 and 5.4.2 shall survive, and in addition, CK shall have an irrevocable, exclusive, worldwide license, with the right to grant and authorize sublicenses, under GSK's interest in the Collaboration Technology and Post-Collaboration Technology, and any trademarks owned by GSK and used specifically by GSK to identify the Licensed Products (excluding the GlaxoSmithKline trade name and trade dress) to make, use, sell, import and otherwise exploit products directed to Mitotic Kinesin Targets for use in the Field (without giving effect to any modification under Section 2.6.4), including the right to practice any invention within such Technology for the purpose of conducting research or development activities directed to such products; and (iv) without limiting the foregoing, GSK's obligations under Section 4.1.1, 4.1.2 and 4.3.2 above shall continue for the Exclusivity Period as if the Agreement had not been terminated. From and after the date of a notice of termination in the events described in this Section 11.7.3(a), CK shall have no further obligations under this Agreement beyond those obligations that survive termination in such events as specified in this Section 11.7.3.

(b) Breach by CK. In the event of a termination of this Agreement by GSK pursuant to Section 11.2: (i) in the event that such termination occurs before the end of the Research Term, those Lead Targets identified as of the termination effective date but not selected pursuant to Section 2.7 shall become Collaboration Targets, all other Mitotic Kinesin Targets shall revert to CK and the licenses granted to GSK under Section 5.1 shall be expanded to include conducting research independently beyond the Research Term for the purpose of identifying Compounds directed to such Collaboration Targets, without any further payment by GSK to CK (subject to (b)(ii)); (ii) the provisions of Article 6 (other than 6.2) and Sections 5.2 (other than 5.2.4), 5.4, 4.1.3 and 7.3.1, and GSK's rights and CK's obligations (but not CK's rights or GSK's obligations) under Sections 2.4, 8.2.3 and 8.4.2 shall survive and, in addition, GSK shall have an irrevocable, non-exclusive, worldwide license, with the right to grant and authorize sublicenses, under CK's interest in the Collaboration Technology and Post-Collaboration Technology, to make, use, sell, import and otherwise exploit products directed to Collaboration Targets for use in the Field (without giving effect to any modification under

Section 2.6.4), including the right to practice any invention within such Technology for the purpose of conducting research or development activities directed to such products; and (iii) without limiting the foregoing, CK's obligations under

Section 4.1.1 and 4.1.2 above shall continue for the Exclusivity Period as if the Agreement had not been terminated. From and after the date of a notice of termination in the events described in this Section 11.7.3(b), GSK shall have no further obligations under this Agreement beyond those obligations that survive termination in such events as specified in this Section 11.7.3.

(c) Termination under Section 11.3.3. In the event CK provides notice to GSK of its intent to terminate this Agreement pursuant to Section 11.3.3, then, with respect to any CK Compound or CK Product for which CK had begun IND Enabling Studies that would otherwise be subject to the CK Product Option, but for which CK has not completed [*] ([*]) [*] studies, prior to the date of such notice (each, a "Potential Option Product"), GSK may exercise its CK Product Option pursuant to Section 4.5, as follows:

(i) Upon request by GSK within thirty (30) days after receiving CK's notice of termination under Section 11.3.3, GSK may request that CK notify GSK of such Potential Option Products (the "GSK Information Request"). Within thirty (30) days after receiving such GSK Information Request, CK shall notify GSK of such Potential Option Products, together with a copy of any IND that has been filed by CK with respect to such Potential Option Product as of the date of such notice by CK (the "CK Notice"). Then, within [*] ([*]) days after GSK's receipt of the CK Notice, GSK may exercise the CK Product Option with respect to such Potential Option Products (i.e., as if CK had completed [*] ([*]) [*] studies for such Potential Option Products and provided GSK a proper CK [*] Notice therefore in accordance with Section 4.5). In such case, and solely for purposes of such case, (i) the first three sentences of Section 4.5 shall not apply to GSK's exercise of the CK Product Option for such Potential Option Products, (ii) notwithstanding Section 4.5.2(d) or any other provision of Section 4.5, CK shall not be obligated to exercise the Co-Funding Option with respect to any Potential Option Product for which GSK exercises the CK Product Option under this Section 11.7.3, and (iii) CK's obligations under Section 4.6 shall thereafter terminate.

(ii)In the event that GSK so exercises the CK Product Option with respect to one or more Potential Option Products, then CK's notice of termination described above shall not be effective under Section 11.3.3, and this Agreement shall continue in force and effect, subject to the terms and conditions hereof. However, in such case, upon such exercise by GSK, all Collaboration Targets and Unselected Targets shall be deemed CK Targets (notwithstanding Sections 2.7, 2.8, 4.2 or any other provision of this Agreement), all Compounds, Development Compounds and Licensed Products shall be deemed CK Compounds and CK Products, and the CK Product Option shall terminate with respect to all such CK Targets, and all CK Compounds and CK Products directed to such CK Targets (i.e., all rights of GSK under Section 4.5 shall terminate with respect to CK Products directed to all Mitotic Kinesin Targets other than those that were CK Targets at the time of CK's notice of termination under Section 11.3.3). Once GSK has exercised the CK Product Option under this Section 11.7.3(c), GSK shall not have any further right under this Section 11.7.3(c) upon a subsequent termination by CK under Section 11.3.3.

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

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ARTICLE XII - MISCELLANEOUS

12.1 Publicity.

12.1.1 Financial Terms. Each of the Parties hereto agrees not to disclose to any Third Party the financial terms of this Agreement without the prior written consent of the other Party hereto, except to advisors, investors and others on a need-to-know basis under circumstances that reasonably ensure the confidentiality thereof, or to the extent necessary to comply with the terms of licenses from Third Parties with respect to a Party's Existing Technology, or to the extent required by law. Notwithstanding the foregoing, following the Effective Date, the Parties shall agree upon a press release to announce the execution of this Agreement together with a corresponding Question & Answer outline for use in responding to inquiries about the Agreement; thereafter, GSK and CK may each disclose to Third Parties the information contained in such press release and Question & Answer outline without the need for further approval by the other.

12.1.2 Publicity Review. The Parties acknowledge the importance of supporting each other's efforts to publicly disclose results and significant developments regarding Licensed Products, CK Products and other activities in connection with this Agreement, beyond what is required by law, and each Party may make such disclosures from time to time with the approval of the other Party, which approval shall not be unreasonably withheld or delayed. Such disclosures may include, without limitation, achievement of Research Performance Milestones, Development Milestones, significant events in the research, development and regulatory process with respect to such a Development Compound, Licensed Product or CK Product, commercialization activities and the like. When a Party (the "Requesting Party") elects to make any such public disclosure under this Section 12.1.2, it will give the other Party (the "Cooperating Party") at least five (5) business days notice to review and comment on such statement, it being understood that if the Cooperating Party does not notify the Requesting Party in writing within such five day period of any reasonable objections, as contemplated in this Section 12.1.2, such disclosure shall be deemed approved, and in any event the Cooperating Party shall work diligently and reasonably to agree on the text of any proposed disclosure in an expeditious manner. The principles to be observed in such disclosures shall be accuracy, compliance with applicable law and regulatory guidance documents, reasonable sensitivity to potential negative reactions of the FDA (and its foreign counterparts) and the need to keep investors informed regarding the Requesting Party's business. Accordingly, the Cooperating Party shall not withhold its approval of a proposed disclosure that complies with such principles.

12.2 Overall Management of Collaboration.

12.2.1 Joint Steering Committee. The Parties shall establish an overall committee ("Joint Steering Committee") to review and coordinate the conduct of the collaboration under this Agreement. The Joint Steering Committee shall be comprised of three (3) members each from CK and GSK, with the members selected from senior management of each Party. Unless otherwise agreed, the Joint Steering Committee shall at all times include [*]. The Joint Steering Committee shall meet at least annually, or as more frequently as is requested by either Party, to review and discuss the performance of the collaboration. All other committees under this Agreement shall be subordinate to the Joint Steering Committee.

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12.2.2 Mutual Decisions. CK and GSK shall cause each of their representatives on the JRC, JDC, or any other committee established under this Agreement to vote, and shall otherwise perform their respective activities under this Agreement, in the best interests of the collaboration contemplated herein, including the timely research, development and commercialization of Compounds, Development Compounds, Licensed Products and not in the present or future interest of either Party outside the collaboration. Where this Agreement calls for specified officers of CK and GSK to meet and resolve a particular issue, each Party shall make its respective officer reasonably available for an in-person meeting on at least three particular dates and times within the thirty

(30) days after the request.

12.3 Short-Form Arbitration.

12.3.1 Certain Disputes.

(a) If the Parties do not agree upon (i) a matter to be decided by the JDC, or the JCC, for which [*] does not have the right to [*] (i.e., pursuant to the last sentence of Section [*], or under Section [*], above) or the JRC (e.g., pursuant to Sections 2.2 and 2.3.2); or (ii) the royalty terms to be established under Section 4.7 above; (iii) whether one or more amounts are required to be reimbursed under Section 3.4.4 or 4.5.2(a); or (iv) a dispute under Section 6.12, 6.13 or 6.14 above, then such matters in issue shall be determined by binding arbitration conducted pursuant to this Section 12.3.1 by one (1) arbitrator. In such arbitration, the arbitrator shall be an independent expert (including in the area of the dispute) in the pharmaceutical or biotechnology industry mutually acceptable to the Parties. If the Parties are unable to agree on an arbitrator, the arbitrator shall be an independent expert as described in the preceding sentence selected by the chief executive of the Chicago office of the American Arbitration Association.

(b) In the event of a dispute under (a) above, (i) each Party shall prepare a written report setting forth its position with respect to the substance of the dispute and (ii) in the case of a dispute under (a)(i), (a)(ii) or (a)(iv) above (but not under (a)(iii)), the arbitrator shall select one of the Party's positions as his decision, and shall not have authority to render any substantive decision other than to so select the position of either GSK or CK. Except as provided in the preceding clause (ii) such arbitration shall be conducted in all respects under the rules of the American Arbitration Association.

(c) The costs of any arbitration under this Section 12.3.1 shall be shared equally by the Parties, and each Party shall bear its own expenses in connection with such arbitration. The Parties shall use diligent efforts to cause the completion of any such arbitration within ninety (90) days following a request by any Party for such arbitration.

12.3.2 Disputes as to CK Products. In the event that GSK disputes under Section 2.6.4 or 4.5 above CK's right to develop or otherwise commercialize products under Section 2.6.4 or 4.5 above, GSK shall initiate an arbitration proceeding under this Section 12.3.2 within [*] ([*]) days of its receipt of notice from CK that CK intends to so develop or otherwise commercialize such a compound, product or Mitotic Kinesin Target. If GSK does not initiate such arbitration within such [*] ([*]) day period, it shall have no further right to dispute CK's right to develop and commercialize such compound(s), product(s) or Target(s). Any such dispute shall be finally settled by binding

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arbitration in Chicago under the Licensing Rules of American Arbitration Association by a single arbitrator appointed in accordance with such rules. The arbitrator shall be a retired federal judge with experience trying patent cases, and the Parties shall use their respective best efforts to obtain a final determination by the arbitrator within sixty (60) days after the initiation of such proceeding. THE FOREGOING REMEDY SHALL BE THE PARTIES' SOLE AND EXCLUSIVE REMEDY WITH RESPECT TO ANY DISPUTE DESCRIBED IN THIS SECTION 12.3.2.

12.3.3 Retention of Rights. Nothing in this Section 12.3 shall preclude GSK or CK from resorting to judicial or equitable remedies for any disputes not within Section 12.3.1 or 12.3.2.

12.4 Governing Law. This Agreement and any dispute arising from the performance or breach hereof shall be governed by and construed and enforced in accordance with the laws of the State of New York, U.S.A., without reference to conflicts of laws principles.

12.5 Assignment.

12.5.1 General. This Agreement shall not be assignable by either Party to any Third Party hereto without the written consent of the other Party hereto. Notwithstanding the foregoing, either Party may assign this Agreement, without the written consent of the other Party, to an Affiliate or to an entity that acquires all or substantially all of the business or assets of such Party to which this Agreement pertains (whether by merger, reorganization, acquisition, sale or otherwise), and agrees in writing to be bound by the terms and conditions of this Agreement. Notwithstanding the foregoing, either Party may assign and/or delegate any rights and/or obligations hereunder without the consent of the other Party to an Affiliate that is at least ninety percent (90%) owned by such Party, or, in the case of GSK, to an Affiliate that is at least ninety percent (90%) owned, directly or indirectly, by the ultimate parent of Glaxo Group Limited (for so long as such Party or parent maintains at least that level of ownership); provided in each case, however, that such assignment shall not relieve the assigning Party of any of its obligations hereunder. It is understood that the provisions of Section 12.5.2 shall apply in the event of assignment of this Agreement under the circumstances described therein. If any permitted assignment would result in withholding or other similar taxes becoming due on payments to the other Party under this Agreement, the assigning Party shall be responsible for all such taxes and the amount of such taxes shall not be withheld or otherwise deducted from the amounts payable to such other Party. If, in such event, such other Party actually reduces the amount of income tax paid by such Party as a result of using a credit for the amount of such withholding or similar taxes paid by the assigning Party, then such other Party shall promptly refund to the assigning Party the amount of such reduction in income tax resulting from the use of such credit. No assignment and transfer shall be valid and effective unless and until the assignee/transferee shall agree in writing to be bound by the provisions of this Agreement. The terms and conditions of this Agreement shall be binding on and inure to the benefit of the permitted successors and assigns of the Parties.

12.5.2 Certain Matters Relating to Acquisitions. In the event of an assignment of this Agreement to a Third Party, or another transaction in which a Third Party becomes an Affiliate of CK that controls CK (as "control" is defined in Section 1.2 above) (each such event, a "Subject Transaction"), then the following shall apply:

(a) Notwithstanding the definitions of Collaboration Technology, Post-Collaboration Technology, CK Patents and CK Know-How, CK Existing Technology, Cytometrix Technology, Compounds, Development Compounds, Licensed Products, CK Compounds, CK Products, CK Library Compounds, or Mitotic Kinesin Targets (together, "Collective CK Technologies"), the Collective CK Technologies shall not include any intellectual property or subject matter (the "Previously Existing Subject Matter") that, prior to the Subject Transaction, was held or Controlled by such Third Party (or an Affiliate of such Third Party that was not an Affiliate of CK at the time of such assignment or transaction, each such Third Party and Affiliate being referred to as a "Subsequently Affiliated Company") and GSK shall have no right or license under this Agreement to any such Previously Existing Subject Matter except as may be agreed under Section 12.5.2(b)(i) or (b)(ii) below.

(b) If, at the time of the Subject Transaction, the Subsequently Affiliated Company had [*], or [*] for the [*] of [*] to [*] which is then subject to [*] under Section [*] or [*], then:

(i) CK in its sole discretion, may elect to [*], including any [*], with the [*] efforts under this Agreement, on the same terms and conditions.

(ii)If CK does not make the election in (i), then, on request by either Party, GSK and CK shall meet, together with representatives of the Subsequently Affiliated Company, to discuss [*] to [*] activities, including all relevant [*], on such terms as the parties may agree. It is understood that any such [*] would [*] involve a [*] of the [*] granted to CK and GSK hereunder. It is understood, however, that neither GSK nor CK shall be obligated to enter

into any agreement to so [*]. In the event the Parties do not agree to so [*], then the provisions of subparagraphs (iii)-(vii) below shall apply.

(iii) Following the Subject Transaction, the [*] immediately prior to the Subject Transaction (the "[*] ") shall [*] and [*] to those that were [*] to research activities (A) in the Research Program and (B) which generate [*] that would reasonably accrue to the Research Program or that are reasonably necessary for CK to fulfill its obligations under the Research Program, to the extent CK would otherwise have [*] and [*] had the Subject Transaction not occurred. The obligations under this paragraph (b)(iii) shall terminate on the [*] of the Effective Date of this Agreement.

(iv)[*] shall not disclose non-public Collaboration Technology, Post-Collaboration Technology or GSK Existing Technology to any Subsequently Affiliated Company for use in connection with the research, development or commercialization of products within the Field, the primary mode of pharmacological action of which is through the inhibition of one or more Mitotic Kinesin Targets, other than those CK Targets for which the CK Product Option under Section 4.5 above does not apply at that time (i.e., CK Products directed to such CK Targets would not be subject to the CK Product Option) (such Mitotic Kinesin Targets, excluding such CK Targets, being referred to as "Restricted Mitotic Kinesin Targets"), unless [*] could have disclosed such item to a Third Party.

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

(v) No Subsequently Affiliated Company shall have any license under Collaboration Technology, Post-Collaboration Technology, GSK Existing Technology, or CK Existing Technology for any purpose unless such license could also be granted to a Third Party herein.

(vi)The Parties shall use diligent efforts to put procedures in place to [*] of GSK or CK Confidential Information to a Subsequently Affiliated Company that would not [*] Third Party herein and to prevent [*] of any [*], including requiring each Party's representatives on the JRC, JDC, JSC and any employees performing research in connection with this Agreement to [*] agreeing to comply with the [*] of this Agreement. Without limiting the foregoing, any employee of [*] immediately prior to the Subject Transaction who is transferred to a Subsequently Affiliated Company shall [*] with respect to a Restricted Mitotic Kinesin Target at any Subsequently Affiliated Company or in collaboration with personnel of such Subsequently Affiliated Company, for so long as [*] activities with respect to such Restricted Mitotic Kinesin Target are prohibited under Section 4.1.2 or 4.2.3 above.

(vii) Notwithstanding the foregoing, the conditions of subparagraphs (iii)-(vi) above shall be deemed satisfied in all respects, if such [*] (or its successor) is maintained and operated as an independent company. Such entity shall be deemed to be operated as an independent company if, after the Subject Transaction (A) [*] can remain fully bound under all terms and conditions of this Agreement, (B) [*] has the capability to perform as would have CK prior to the Subject Transaction for all purposes under this Agreement and (C) [*] and the Subsequently Affiliated Company contractually commit that there shall be no disclosures or licenses with respect to Licensed Technology under this Agreement from [*] to the Subsequently Affiliated Company that would not have been either (x) permitted to be disclosed or granted to a Third Party under this Agreement or (y) permitted to be used or disclosed by CK for its independent efforts under this Agreement.

(c) Unless this Agreement is [*] under Section 12.5.2(b)(i) or (ii) above, the Collective CK Technologies shall not include any intellectual property or subject matter created or acquired by such Subsequently Affiliated Company following the Subject Transaction, and no activities of the Subsequently Affiliated Company shall be deemed within the Research Program. It is understood, however, that if Cytokinetics, Inc. (i.e., the Party to this Agreement) is legally merged with and into another corporate entity, then the

resulting merged corporate entity shall be fully bound by all provisions of this Agreement and shall not be a "Subsequently Affiliated Company" under this Section 12.5.2.

(d) Subject to the foregoing and paragraph (b) above, Sections 4.1.2 and 4.2.3 shall not apply with respect to activities of the Subsequently Affiliated Company. In addition, subject to paragraph (b) above, Section 2.6.4(b) shall not apply to a Subsequently Affiliated Company, and no officer or representative of a Subsequently Affiliated Company shall be required or permitted to serve on the JRC or JSC (e.g., under Section 2.2(a) above).

12.5.3 Certain Additional Matters on Change of Control of CK. Notwithstanding the provisions of Section 12.5.2, in the event CK assigns this Agreement (i) to an entity that acquires all or substantially all of the business or assets of CK, and such entity is a pharmaceutical or biotechnology company having worldwide net sales of pharmaceutical products which, in its last full fiscal year prior to such assignment, were in excess of the equivalent of [*] US Dollars ($[*]), or in (ii) the event that CK merges or consolidates or enters into a similar transaction with such a pharmaceutical or biotechnology entity in which such entity becomes an Affiliate of CK, and, in either case, then upon request by GSK, the Parties will each use their respective diligent efforts to put procedures into place to protect the secrecy of GSK or CK Confidential Information disclosed under any of Section 2.2, 3.2, 3.5, 7.2 and/or 7.4 above, including, without limitation, requiring each Party's representatives on the JRC, JDC, JSC and any employees performing research in connection with this Agreement to sign individual confidentiality agreements agreeing to comply with the confidentiality provisions of this Agreement. It is understood that the provisions of Section 12.5.2 may also apply in the event of the occurrence of the events described in this Section 12.5.3.

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

12.6 Performance Warranty. Each Party hereby warrants and guarantees the performance of any and all rights and obligations by its Affiliate(s).

12.7 Notices. All notices, requests and communications hereunder shall be in writing and shall be personally delivered or sent by facsimile transmission (confirmed by prepaid registered or certified mail, return receipt requested or by international express delivery service) (e.g., Federal Express), mailed by registered or certified mail (return receipt requested), postage prepaid, or sent by international express courier service, and shall be deemed to have been properly served to the addressee upon receipt of such written communication, to following addresses of the Parties, or such other address as may be specified in writing to the other Party hereto:

IF TO CK,

ADDRESSED TO: CYTOKINETICS, INC.
280 East Grand Avenue
South San Francisco, California 94080
Attention: Robert Blum,
Vice President, Business Development
Telephone: (650) 624-3002
Telecopy: (650) 624-3010

WITH COPY TO: WILSON SONSINI GOODRICH & ROSATI
PROFESSIONAL CORPORATION
650 Page Mill Road
Palo Alto, CA 94304-1050
Attention: Kenneth A. Clark, Esq.
Telephone: (650) 493-9300

Telecopy: (650) 493-6811

IF TO GSK,

ADDRESSED TO: GLAXO GROUP LIMITED, DOING BUSINESS AS GLAXOSMITHKLINE
709 Swedeland Road
King of Prussia, Pennsylvania 19406
Attention: Vice President, Business Development
Telephone: (610) 270-5973
Telecopy: (610) 270-5962

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

WITH A COPY TO: GLAXOSMITHKLINE
Corporate Legal Department
One Franklin Plaza
200 N. 16th Street / FP 2360
Philadelphia, PA 19103

Attention: Senior Vice President and Assistant General Counsel-R&D Legal Operations
Telephone: 215-751-4000
Telecopy: 215-751-3935

12.8 Waiver. Neither Party may waive or release any of its rights or interests in this Agreement except in writing. The failure of either Party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition. No waiver by either Party of any condition or term in any one or more instances shall be construed as a continuing waiver of such condition or term or of another condition or term.

12.9 Severability. If any provision hereof should be held invalid, illegal or unenforceable in any jurisdiction, the Parties shall negotiate in good faith a valid, legal and enforceable substitute provision that most nearly reflects the original intent of the Parties and all other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to carry out the intentions of the Parties hereto as nearly as may be possible. Such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of such provision in any other jurisdiction. In the event a Party seeks to avoid a provision of this Agreement by asserting that such provision is invalid, illegal or otherwise unenforceable, the other Party shall have the right to terminate this Agreement upon sixty (60) days' prior written notice to the asserting Party, unless such assertion is eliminated and the effect of such assertion cured within such sixty (60) day period. Any termination in accordance with the foregoing sentence shall be deemed a termination pursuant to Section 11.3.1 if the Party who made such assertion was GSK, and shall be deemed a termination under Section 11.2 by reason of a breach by CK, if CK is the Party who made such assertion.

12.10 Entire Agreement. This Agreement and the accompanying Stock Purchase Agreement set forth all the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties hereto and supersede and terminate all prior agreements and understanding between the Parties. There are no covenants, promises, agreements, warranties, representations, conditions or understandings, either oral or written, between the Parties other than as set forth herein and therein. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties hereto unless reduced to writing and signed by the respective authorized officers of the Parties.

12.11 Independent Contractors. Nothing herein shall be construed to create any relationship of employer and employee, agent and principal, partnership or

joint venture between the Parties. Each Party is an independent contractor. Neither Party shall assume, either directly or indirectly, any liability of or for the other Party. Neither Party shall have the authority to bind or obligate the other Party and neither Party shall represent that it has such authority.

12.12 Headings. Headings used herein are for convenience only and shall not in any way affect the construction of or be taken into consideration in interpreting this Agreement.

12.13 Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original, and all of which together, shall constitute one and the same instrument.

ARTICLE XIII - CLOSING

13.1 Upon the terms and subject to the conditions of this Agreement, the closing of this Agreement and the closing of the Stock Purchase Agreement shall take place at a closing (the "Closing") to be held at the offices of Wilson Sonsini Goodrich & Rosati, at 10:00 A.M. Pacific Daylight Time on such date as agreed by the Parties (the "Closing Date"), or at such other place or at such other time contemporaneous with satisfaction of the last closing condition as GSK and CK may mutually agree upon in writing.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate originals by their duly authorized representatives as of the date and year first above written.

CYTOKINETICS, INC.	GLAXO GROUP LIMITED, A GLAXOSMITHKLINE CORPORATION
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT 1.17

COMPOUND CRITERIA

[*]

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 1.55

[*] PROGRAM ACTIVITIES

[*]

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 1.65

TRACTABLE COMPOUND CRITERIA

[*]

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 2.5

DEVELOPMENT COMPOUND CRITERIA

[*]

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 4.5.1

CLINICAL REPORT FORM

[*]

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 6.3.2

FEASIBILITY STUDY

[*]

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 6.3.2(B)

[*]

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 6.4.4

[*]

[*] April 30, 1999 [*]

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 10.1

THIRD PARTY AGREEMENTS

EFFECTIVE DATE	COMPANY/CONSULTANT	AGREEMENT WITH CYTOKINETICS
March 23, 1999	[*]	[*]
April 29, 1999	[*]	[*]
January 15, 2001	[*]	[*]
May 12, 2000	[*]	[*]
May 12, 2000	[*]	[*]

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

Exhibit 10.19

[*] CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 OF THE SECURITIES EXCHANGE ACT OF 1933, AS AMENDED.

[CYTOKINETICS LOGO]

280 East Grand Avenue
South San Francisco, CA 94080
Tel (650) 624-3000 Fax (650) 624-3010

October 28, 2002

Glaxo Group Limited, doing business as GlaxoSmithKline
709 Swedeland Road
King of Prussia, Pennsylvania 19406
Attn: Pradip K. Bhatnagar, Ph.D., Director, Genetic & Discovery Alliances

RE: [*] UNDER THAT CERTAIN COLLABORATION AND LICENSE AGREEMENT BY AND BETWEEN GLAXO GROUP LIMITED, A GLAXOSMITHKLINE COMPANY, ("GSK") AND CYTOKINETICS, INC. ("CK") OF EVEN DATE JUNE 20, 2001 (THE "COLLABORATION AGREEMENT").

Dear Pradip:

Pursuant to this letter amendment to the Collaboration Agreement (the "Letter Amendment"), GSK desires to have CK [*], and CK agrees to [*], [*] as part of the Research Program under the Collaboration Agreement, all on the terms set forth herein.

Now therefore, GSK and CK agree, effective as of October 1, 2002 (the "Letter Amendment Effective Date"), as follows:

1. All capitalized terms not defined herein shall have the meaning ascribed to them in the Collaboration Agreement.

2. In accordance with the budget and timeline set forth in Attachment A (attached hereto and incorporated herein by reference), CK shall use its diligent efforts to [*] by [*].

3. The [*] to be [*] under this Letter Amendment shall be selected as agreed by the Parties [*] set forth in Attachment B (attached hereto and incorporated herein by reference).

4. GSK shall use its diligent efforts to resupply to CK sufficient quantities of those chemical entities requested by CK to conduct such [*] in order that CK may diligently conduct its activities in accordance with the budget and timeline set forth in Paragraph 2 above.

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

5. In consideration for such [*], GSK shall pay to CK [*] U.S. Dollars (U.S.$[*]) in two (2) installments as follows:

5.1 GSK shall pay to CK [*] U.S. Dollars (U.S.$[*]) on the Letter Amendment Effective Date; and

5.2 GSK shall pay to CK [*] U.S. Dollars (U.S.$[*]) on [*] .

6. Except as specifically modified or amended hereby, the Collaboration Agreement shall remain in full force and effect and, as modified or amended, is hereby ratified, confirmed and approved. No provision of this Letter Amendment may be modified or amended except expressly in a writing signed by both parties nor shall any terms be waived except expressly in a writing signed by the party charged therewith. This Letter Amendment shall be governed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

Please sign and return two copies of this letter if you agree to the foregoing terms.

Sincerely,

/s/ Robert I. Blum

Robert I. Blum
Senior Vice President, Finance and Corporate Development
Chief Financial Officer
Cytokinetics, Inc.

Agreed and accepted:

GLAXO GROUP LIMITED

/s/ Pradip K. Bhatnagar

Name: Pradip K. Bhatnagar

Title: Director, Genetic & Discovery Alliances

cc: Vice President, Business Development, Glaxo Group Limited, doing business as GlaxoSmithKline
Senior Vice President and Assistant General Counsel-R&D Legal Operations, GlaxoSmithKline Corporate Legal Department
Kenneth A. Clark, Esq., Wilson Sonsini Goodrich & Rosati Professional Corporation

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ATTACHMENT A
CYTOKINETICS/GSK [*]

PLAN B [*]		Oct	Nov	Dec	2002	Jan	Feb	2003
FTE expenses	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]
[*] work associated with [*]	[*]		[*]	[*]	[*]			
Capital Equipment	[*]	[*]			[*]			

Leased Equipment	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]
Total	[*]	[*]	[*]	[*]	[*]	[*]	[*]	[*]

CONFIDENTIAL

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

Attachment B

[*]

CONFIDENTIAL

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

Exhibit 10.20

[*] CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 OF THE SECURITIES EXCHANGE ACT OF 1933, AS AMENDED.

280 East Grand Avenue
South San Francisco, CA 94080
[CYTOKINETICS LOGO] Tel (650) 624-3000 Fax (650) 624-3010

November 5, 2002

Glaxo Group Limited, doing business as GlaxoSmithKline
709 Swedeland Road
King of Prussia, Pennsylvania 19406
Attn: Pradip K. Bhatnagar, Ph.D., Director, Genetic & Discovery Alliances

RE: ASSIGNMENT OF GSK MEDICINAL CHEMISTRY PERSONNEL TO HIT-TO-LEAD ACTIVITIES UNDER THAT CERTAIN COLLABORATION AND LICENSE AGREEMENT BY AND BETWEEN GLAXO GROUP LIMITED, A GLAXOSMITHKLINE COMPANY, ("GSK") AND CYTOKINETICS, INC. ("CK") OF EVEN DATE JUNE 20, 2001 (the "COLLABORATION AGREEMENT")

Dear Pradip:

Pursuant to this letter amendment to the Collaboration Agreement (the "Letter Amendment"), GSK desires to assign certain medicinal chemistry personnel within GSK to perform hit-to-lead activities as part of the Research Program under the Collaboration Agreement, all on the terms set forth herein.

Now therefore, GSK and CK agree, effective as of November 5, 2002 (the "Letter Amendment Effective Date"), as follows:

1. All capitalized terms not defined herein shall have the meaning ascribed to them in the Collaboration Agreement.

2. GSK may assign medicinal chemistry personnel (other than CK FTEs) within GSK's high-throughput chemistry resource (the "HTC Resource") at the rate (i.e., a running rate) of [*] ([*]) full-time equivalents or more, solely to perform Hit-To-Lead activities under the Research Program relating to a particular Mitotic Kinesin Target, without such assignment and Hit-To-Lead activities accruing toward the [*] ([*]) FTE limit of establishing a [*] Program pursuant to Section 2.6.2(a).

3. Notwithstanding the foregoing, if a Tractable Compound has been identified with respect to a particular Mitotic Kinesin Target, the assignment by GSK of any medicinal chemistry personnel (other than CK FTEs) to perform activities relating to such Mitotic Kinesin Target, including without limitation any medicinal chemistry personnel within the HTC Resource and regardless of the activities of such personnel, shall accrue towards the [*] ([*]) FTE limit of establishing a [*] Program pursuant to Section 2.6.2(a).

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

4. As used herein, "Hit-To-Lead" shall mean those activities directed to the process of synthesizing and identifying active new chemical entities up to and including identification of a compound that meets the Tractable Compound Criteria. It is understood that activities directed to the subsequent synthetic modification and testing of a Tractable Compound are not included in Hit-To-Lead.

5. Except as specifically modified or amended hereby, the Collaboration Agreement shall remain in full force and effect and, as modified or amended, is hereby ratified, confirmed and approved. No provision of this Letter Amendment may be modified or amended except expressly in a writing signed by both parties nor shall any terms be waived except expressly in a writing signed by the party charged therewith. This Letter Amendment shall be governed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

Please sign and return two copies of this letter if you agree to the foregoing terms.

Sincerely,

/s/ Robert I. Blum

Robert I. Blum
Senior Vice President, Finance and Corporate Development
Chief Financial Officer
Cytokinetics, Inc.

Agreed and accepted:

GLAXO GROUP LIMITED

/s/ Pradip K Bhatnagar

Name: PRADIP K BHATNAGAR

Title: DIRECTOR, Genetic & Discovery Alliances

cc: Vice President, Business Development, Glaxo Group Limited, doing business as GlaxoSmithKline
Senior Vice President and Assistant General Counsel-R&D Legal Operations, GlaxoSmithKline Corporate Legal Department
Kenneth A. Clark, Esq., Wilson Sonsini Goodrich & Rosati Professional Corporation

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

Exhibit 10.21

[*] CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 OF THE SECURITIES EXCHANGE ACT OF 1933, AS AMENDED.

280 East Grand Avenue
South San Francisco, CA 94080
[CYTOKINETICS LOGO] Tel (650) 624-3000 Fax (650) 624-3010

December 13, 2002

Glaxo Group Limited, doing business as GlaxoSmithKline
709 Swedeland Road
King of Prussia, Pennsylvania 19406
Attn: Pradip K. Bhatnagar, Ph.D., Director, Genetic & Discovery Alliances

RE: DEFINITION OF TOOL COMPOUND AND USE THEREOF UNDER THAT CERTAIN COLLABORATION AND LICENSE AGREEMENT BY AND BETWEEN GLAXO GROUP LIMITED, A GLAXOSMITHKLINE COMPANY, ("GSK") AND CYTOKINETICS, INC. ("CK") OF EVEN DATE JUNE 20, 2001 (THE "COLLABORATION AGREEMENT")

Dear Pradip:

Pursuant to this letter amendment to the Collaboration Agreement (the "Letter Amendment"), GSK and CK desire to use certain tool compounds arising under the Collaboration Agreement, all on the terms set forth herein.

Now therefore, GSK and CK agree, effective as of December 13, 2002 (the "Letter Amendment Effective Date"), as follows:

1. All capitalized terms not defined herein shall have the meaning ascribed to them in the Collaboration Agreement.

2. A "Tool Compound" shall mean any Compound, including but not limited to [*] and [*], not designated nor intended to be designated as a Development Compound, and that the JRC has approved for distribution to Third Parties for the conduct of studies that may result in the subsequent publication of the results of such studies; provided that, such results are not to be reportable to the FDA. At the time of such approval by the JRC, the composition of matter and method of use of such Tool Compound shall be covered by a Patent within the Licensed Technology.

3. The JRC may amend the definition of Tool Compound at any time, such amendments to be reflected in agreed and approved minutes of JRC meetings; provided, once a Compound has met the definition of Tool Compound it shall remain a Tool Compound, unless and until otherwise mutually agreed in writing by the Parties.

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

4. Notwithstanding Sections 1.13, 1.53 and 5.7, and the restrictions on use and disclosure set forth in Sections 4.1 and 9.5, of the Collaboration Agreement, each Party shall have the right to use Tool Compounds, and information relating thereto, outside the Research Program for the sole purpose of generating negative control information in studies directed to the research, discovery and development of compounds based on their activity in directly modulating a target other than a Mitotic Kinesin Target, and Collaboration Technology and/or Post-Collaboration Technology shall not include any inventions and/or results that arise from such use.

5. Except as specifically modified or amended hereby, the Collaboration Agreement shall remain, in full force and effect and, as modified or amended, is hereby ratified, confirmed and approved. No provision of this Letter Amendment may be modified or amended except expressly in a writing signed by both Parties nor shall any terms be waived except expressly in a writing signed by the Party charged therewith. This Letter Amendment shall be governed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

Please sign and return two copies of this letter if you agree to the foregoing terms.

Sincerely,

/s/ Robert I. Blum

Robert I. Blum
Senior Vice President, Finance and Corporate Development
Chief Financial Officer
Cytokinetics, Inc.

Agreed and accepted:

GLAXO GROUP LIMITED

/s/ Pradip Bhatnagar

Name: Pradip Bhatnagar, Ph.D.

Title: Alliance Management, Director

cc: Vice President, Business Development, Glaxo Group Limited, doing business as GlaxoSmithKline
Senior Vice President and Assistant General Counsel-R&D Legal Operations, GlaxoSmithKline Corporate Legal Department
Kenneth A. Clark, Esq., Wilson Sonsini Goodrich & Rosati Professional Corporation

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

Exhibit 10.22

[*] CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 OF THE SECURITIES EXCHANGE ACT OF 1933, AS AMENDED.

[CYTOKINETICS LOGO]

280 East Grand Avenue
South San Francisco, CA 94080
Tel (650) 624-3000 Fax (650) 624-3010

July 11, 2003

Glaxo Group Limited, doing business as GlaxoSmithKline
709 Swedeland Road
King of Prussia, Pennsylvania 19406
Attn: Pradip K. Bhatnagar, Ph.D., Director, Genetic & Discovery Alliances

RE: ASSIGNMENT OF GSK MEDICINAL CHEMISTRY PERSONNEL TO HIT-TO-LEAD ACTIVITIES UNDER THAT CERTAIN COLLABORATION AND LICENSE AGREEMENT BY AND BETWEEN GLAXO GROUP LIMITED, A GLAXOSMITHKLINE COMPANY, ("GSK") AND CYTOKINETICS, INC. ("CK") OF EVEN DATE JUNE 20, 2001 (THE "COLLABORATION AGREEMENT")

Dear Pradip:

Pursuant to that certain letter amendment to the Collaboration Agreement of even date November 5, 2002 (the "Letter Amendment"), GSK and CK agreed to amend the Collaboration Agreement in order to allow GSK to assign certain medicinal chemistry personnel within GSK to perform hit-to-lead activities as part of the Research Program under the Collaboration Agreement without such assignment accruing toward the [*] ([*]) FTE limit of establishing a [*] Program pursuant to Section 2.6.2(a) of the Collaboration Agreement.

Pursuant to this letter amendment to the Collaboration Agreement (the "H2L Letter Amendment"), GSK and CK desire to void such Letter Amendment in its entirety and replace it with this H2L Letter Amendment, all on the terms set forth herein.

Now therefore, GSK and CK agree, effective as of November 5, 2002 (the "H2L Letter Amendment Effective Date"), as follows:

1. All capitalized terms not defined herein shall have the meaning ascribed to them in the Collaboration Agreement.

2. The Letter Amendment shall be void and have no force or effect as between the parties, effective November 5, 2002.

3. GSK may assign chemistry personnel (other than CK FTEs) within GSK's chemistry resource at the rate (i.e., a running rate) of [*] ([*]) full-time equivalents or more, solely to perform Hit-To-Lead activities under the Research Program relating to a particular Mitotic Kinesin Target, without such assignment and Hit-To-Lead activities accruing toward the [*]([*]) FTE limit of establishing a [*] Program pursuant to Section 2.6.2(a).

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

4. Notwithstanding the foregoing, if a Tractable Compound has been identified with respect to a particular Mitotic Kinesin Target, the assignment by GSK of any chemistry personnel (other than CK FTEs) to perform activities relating to such Mitotic Kinesin Target, including without limitation any chemistry personnel within GSK's high-throughout chemistry resource (the "HTC Resource") and regardless of the activities of such personnel, shall accrue towards the [*]([*]) FTE limit of establishing a [*] Program pursuant to Section 2.6.2(a).

5. As used herein, "Hit-To-Lead" shall mean those activities directed to the process of synthesizing and identifying active new chemical entities up to and including identification of a compound that meets the Tractable Compound Criteria. It is understood that activities directed to the subsequent synthetic modification and testing of a Tractable Compound are not included in Hit-To-Lead.

6. Except as specifically modified or amended hereby, the Collaboration Agreement shall remain in full force and effect and, as modified or amended, is hereby ratified, confirmed and approved. No provision of this H2L Letter Amendment may be modified or amended except expressly in a writing signed by both parties nor shall any terms be waived except expressly in a writing signed by the party charged therewith. This H2L Letter Amendment shall be governed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

Please sign and return two copies of this letter if you agree to the foregoing terms.

Sincerely,

/s/ Robert I. Blum

Robert I. Blum
Senior Vice President, Finance and Corporate Development
Chief Financial Officer
Cytokinetics, Inc.

Agreed and accepted:

GLAXO GROUP LIMITED

/s/ Pradip Bhatnagar

Name: Pradip Bhatnagar

Title: Director, Alliance Management
---

cc: Vice President, Business Development, Glaxo Group Limited, doing business as GlaxoSmithKline
Senior Vice President and Assistant General Counsel-R&D Legal Operations, GlaxoSmithKline Corporate Legal Department
Kenneth A. Clark, Esq., Wilson Sonsini Goodrich & Rosati Professional Corporation

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to

the omitted portions.

Exhibit 10.23

[*] CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 OF THE SECURITIES EXCHANGE ACT OF 1933, AS AMENDED.

[CYTOKINETICS LOGO]

280 East Grand Avenue
South San Francisco, CA 94080
Tel (650) 624-3000 Fax (630) 624-3010

July 28, 2003

Glaxo Group Limited, doing business as GlaxoSmithKline
709 Swedeland Road
King of Prussia, Pennsylvania 19406
Attn: Pradip K. Bhatnagar, Ph.D., Director, Genetic & Discovery Alliances

RE: COMPOUND CRITERIA UNDER THAT CERTAIN COLLABORATION AND LICENSE AGREEMENT BY AND BETWEEN GLAXO GROUP LIMITED, A GLAXOSMITHKLINE COMPANY, ("GSK") AND CYTOKINETICS, INC. ("CK") OF EVEN DATE JUNE 20, 2001 (THE "COLLABORATION AGREEMENT").

Dear Pradip:

Pursuant to this letter amendment to the Collaboration Agreement (the "Compound Criteria Letter Amendment"), GSK and CK desire to revise the Compound Criteria applicable under the Collaboration Agreement as approved by the JRC on September 21, 2001, all on the terms set forth herein.

Now therefore, GSK and CK agree as follows:

1. All capitalized terms not defined herein shall have the meaning ascribed to them in the Collaboration Agreement.

2. For purposes of the Collaboration Agreement, "Compound Criteria" shall mean, effective as of the Effective Date, those criteria set forth in the revised Exhibit 1.17 attached hereto and incorporated by reference. For clarity, it is understood that the Compound Criteria may only be modified or amended pursuant in a writing signed by both Parties referencing the Collaboration Agreement and expressly modifying or amending the Compound Criteria.

3. Except as specifically modified or amended hereby, the Collaboration Agreement shall remain in full force and effect and, as modified or amended, is hereby ratified, confirmed and approved. No provision of this Compound Criteria Letter Amendment may be modified or amended except expressly in a writing signed by both Parties nor shall any terms be waived except expressly in a writing signed by the Party charged therewith. This Compound Criteria Letter Amendment shall be governed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

Please sign and return two copies of this letter if you agree to the foregoing terms.

Sincerely,

/s/ Robert I. Blum

Robert I. Blum
Senior Vice President, Finance and Corporate Development
Chief Financial Officer
Cytokinetics, Inc.

Agreed and accepted:

GLAXO GROUP LIMITED

/s/ Pradip K. Bhatnagar

Name: Pradip K. Bhatnagar

Title: Director

cc: Vice President, Business Development, Glaxo Group Limited, doing business as GlaxoSmithKline
Senior Vice President and Assistant General Counsel-R&D Legal Operations, GlaxoSmithKline Corporate Legal Department
Kenneth A. Clark, Esq., Wilson Sonsini Goodrich & Rosati Professional Corporation

EXHIBIT 1.17
[Revised September 21, 2001]

Compound Criteria
(effective as of June 20, 2001)

[*]

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Exhibit 10.24

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[CYTOKINETICS LOGO]

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South San Francisco, CA 94080
Tel (650) 624-3000 Fax (650) 624-3010

July 28, 2003

Glaxo Group Limited, doing business as GlaxoSmithKline
709 Swedeland Road
King of Prussia, Pennsylvania 19406
Attn: Pradip K. Bhatnagar, Ph.D., Director, Genetic & Discovery Alliances

RE: FEASIBILITY STUDY UNDER THAT CERTAIN COLLABORATION AND LICENSE AGREEMENT BY AND BETWEEN GLAXO GROUP LIMITED, A GLAXOSMITHKLINE COMPANY, ("GSK") AND CYTOKINETICS, INC. ("CK") OF EVEN DATE JUNE 20, 2001 (THE "COLLABORATION AGREEMENT")

Dear Pradip:

Pursuant to this letter amendment to the Collaboration Agreement (the "Feasibility Study Letter Amendment"), GSK and CK desire to revise the definition of Feasibility Study applicable under the Collaboration Agreement as agreed by the JRC on July 25, 2003, all on the terms set forth herein.

Now therefore, GSK and CK agree as follows:

1. All capitalized terms not defined herein shall have the meaning ascribed to them in the Collaboration Agreement.

2. For purposes of the Collaboration Agreement, "Feasibility Study" shall have the meaning, effective as of the Effective Date, set forth in the revised Exhibit 6.3.2, attached hereto and incorporated herein. For clarity, it is understood that the definition of Feasibility Study may only be modified or amended pursuant in a writing signed by both Parties referencing the Collaboration Agreement and expressly modifying or amending the definition of Feasibility Study.

3. Except as specifically modified or amended hereby, the Collaboration Agreement shall remain in full force and effect and, as modified or amended, is hereby ratified, confirmed and approved. No provision of this Feasibility Study Letter Amendment may be modified or amended except expressly in a writing signed by both Parties nor shall any terms be waived except expressly in a writing signed by the Party charged therewith. This Feasibility Study Letter Amendment shall be governed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

Please sign and return two copies of this letter if you agree to the foregoing terms.

Sincerely,

/s/ Robert I. Blum

Robert I. Blum
Senior Vice President, Finance and Corporate Development
Chief Financial Officer
Cytokinetics, Inc.

Agreed and accepted:

GLAXO GROUP LIMITED

/s/ Pradip K. Bhatnagar

Name: Pradip K. Bhatnagar

Title: Director
---

cc: Vice President, Business Development, Glaxo Group Limited, doing business as GlaxoSmithKline
Senior Vice President and Assistant General Counsel-R&D Legal Operations, GlaxoSmithKline Corporate Legal Department
Kenneth A. Clark, Esq., Wilson Sonsini Goodrich & Rosati Professional Corporation

EXHIBIT 6.3.2
[Revised July 25, 2003]

Feasibility Study
(effective as of June 20, 2001)

[*]

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Exhibit 10.25

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[CYTOKINETICS LOGO]

280 East Grand Avenue
South San Francisco, CA 94080
Tel (650) 624-3000 Fax (650) 624-3010

July 28, 2003

Glaxo Group Limited, doing business as GlaxoSmithKline
709 Swedeland Road
King of Prussia, Pennsylvania 19406
Attn: Pradip K. Bhatnagar, Ph.D., Director, Genetic & Discovery Alliances

RE: TRACTABLE COMPOUND CRITERIA UNDER THAT CERTAIN COLLABORATION AND LICENSE AGREEMENT BY AND BETWEEN GLAXO GROUP LIMITED, A GLAXOSMITHKLINE COMPANY, ("GSK") AND CYTOKINETICS, INC. ("CK") OF EVEN DATE JUNE 20, 2001 (THE "COLLABORATION AGREEMENT")

Dear Pradip:

Pursuant to this letter amendment to the Collaboration Agreement (the "Tractable Compound Criteria Letter Amendment"), GSK and CK desire to revise the Tractable Compound Criteria applicable under the Collaboration Agreement as agreed by the JRC on April 11, 2003, all on the terms set forth herein.

Now therefore, GSK and CK agree as follows:

1. All capitalized terms not defined herein shall have the meaning ascribed to them in the Collaboration Agreement.

2. For purposes of the Collaboration Agreement, "Tractable Compound Criteria" shall mean, effective as of the Effective Date, those criteria set forth in the revised Exhibit 1.65 attached hereto and incorporated by reference. For clarity, it is understood that the Tractable Compound Criteria may only be modified or amended pursuant in a writing signed by both Parties referencing the Collaboration Agreement and expressly modifying or amending the Tractable Compound Criteria.

3. Except as specifically modified or amended hereby, the Collaboration Agreement shall remain in full force and effect and, as modified or amended, is hereby ratified, confirmed and approved. No provision of this Tractable Compound Criteria Letter Amendment may be modified or amended except expressly in a writing signed by both Parties nor shall any terms be waived except expressly in a writing signed by the Party charged therewith. This Tractable Compound Criteria Letter Amendment shall be governed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

Please sign and return two copies of this letter if you agree to the foregoing terms.

Sincerely,

/s/ Robert I. Blum

Robert I. Blum
Senior Vice President, Finance and Corporate Development
Chief Financial Officer
Cytokinetics, Inc.

Agreed and accepted:

GLAXO GROUP LIMITED

/s/ Pradip K. Bhatnagar

Name: Pradip K. Bhatnagar

Title: Director
---

cc: Vice President, Business Development, Glaxo Group Limited, doing business as GlaxoSmithKline
Senior Vice President and Assistant General Counsel-R&D Legal Operations, GlaxoSmithKline Corporate Legal Department
Kenneth A, Clark, Esq., Wilson Sonsini Goodrich & Rosati Professional Corporation

EXHIBIT 1.65
[Revised April 11, 2003]

Tractable Compound Criteria
(effective as of June 20, 2001)

[*]

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 10.30

[*] CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY BRACKETS, HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 OF THE SECURITIES EXCHANGE ACT OF 1933, AS AMENDED.

AZ AND CK CONFIDENTIAL

COLLABORATION AND LICENSE AGREEMENT

THIS COLLABORATION AND LICENSE AGREEMENT (this "AGREEMENT") is made and entered into as of the 15th day of December, 2003 (the "EFFECTIVE DATE") by and between Cytokinetics, Inc. a Delaware corporation, having a place of business at 280 East Grand Avenue, South San Francisco, CA 94080 ("CK") and AstraZeneca AB, a company incorporated in Sweden under no. 556011-7482 with offices at S-151 85 Sodertalje, Sweden ("AZ"). CK and AZ are each referred to herein by name or as a "PARTY" or, collectively, as "PARTIES."

RECITALS

A. WHEREAS CK has developed Cytometrix(TM)* cellular phenotyping technologies for compound profiling (the "CM SYSTEM," as further defined below);

B. WHEREAS AZ is performing internal projects aimed at the discovery and development of novel therapeutic products; and

C. WHEREAS CK and AZ wish to collaborate on a research program utilizing AZ and CK's knowledge, skills, and proprietary technology to develop a module of the CM System for use as an in vitro predictor of hepatotoxicity.

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

ARTICLE I - DEFINITIONS

Unless otherwise specifically provided in this Agreement, the following capitalized terms shall have the following meanings as used in this Agreement:

1.1 "AFFILIATE" means, with respect to a Person, any Person that Controls, is Controlled by or is under common Control with such first Person. For purposes of this Section 1.1 only, "CONTROL" means (a) to possess, directly or indirectly, the power to direct the management or policies of a Person, whether through ownership of voting securities or by contract relating to voting rights or corporate governance, or (b) to own, directly or indirectly, fifty percent (50%) or more of the outstanding voting securities or other ownership interest of such Person; provided

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*Cytometrix(TM) is a trademark of Cytokinetics, Inc

that, if local law in any country other than the United States requires a maximum percentage of local ownership such that the maximum percentage that may, under such local law, be owned by foreign interests is less than fifty percent (50%), "CONTROL" means to own the maximum ownership percentage that may, under such local law, be owned by foreign interests.

1.2 "APPLICABLE LAW" means the applicable laws, rules and regulations, including any rules, regulations, guidelines or other requirements of regulatory authorities that may be in effect from time to time.

1.3 "AZ BACKGROUND TECHNOLOGY" means any and all Technology Controlled by AZ as of the Effective Date or during the Research Term (regardless of when disclosed) and described on EXHIBIT 1.3, or included as AZ Background Technology pursuant to Section 3.5. The AZ Background Technology excludes (i) any and all Collaboration Technology and Collaboration Knowledge, and (ii) any and all Technology provided to CK hereunder by or on behalf of AZ consisting of General Methods.

1.4 "AZ COMPOUND" means each Compound intended or provided for use in the Research Program hereunder by or for AZ, in each case identified by an AZ Compound identifier listed on EXHIBIT 1.4 and identified therein as Public or Proprietary, including additional AZ Compounds added pursuant to Section 3.2 and excluding Compounds removed as Proscribed Compounds pursuant to Section 3.2.

1.5 "AZ COMPOUND DATA" means data proprietary to AZ and conclusions derived by or for AZ from such data (other than Collaboration Technology), existing as of the Effective Date or during the Research Term, comprised of data and information that describes or otherwise relates to an AZ Compound and (i) described in, included or required to be provided to CK under Section 3.2 or the Research Plan, or (ii) otherwise disclosed by AZ to CK in accordance with this Agreement.

1.6 "AZ FACILITY(IES)," when used in the singular, means the primary location at which AZ performs the Research Program, as designated and updated in accordance with Section 2.3 from time to time; and when used in the plural, means any and all of AZ's facilities, also as designated and updated in accordance with Section 2.3 from time to time.

1.7 "AZ IMPROVEMENTS" means Improvements that are made during the Pilot License Term that are adaptations or modifications to the Cytometrix(TM) Hepatotoxicity Module required solely for purposes of achieving compatibility of the Cytometrix(TM) Hepatotoxicity Module with AZ's information technology or bioinformatics infrastructure.

1.8 "AZ KNOWLEDGE" means Technology provided to CK by or on behalf of AZ during the Research Term for use in the Research Program, which in each case is not AZ Background Technology, Collaboration Technology, AZ Compounds or AZ Compound Data.

1.9 "CHANGE OF CONTROL" means an event in which (i) any Person, other than the shareholders of a Party as of the Effective Date of the Agreement, acquires or becomes the beneficial owner of more than fifty percent (50%) of the voting securities of that Party, (ii) a

Party enters into a merger, consolidation or other similar transaction with another Person or Persons and is not the surviving entity in such transaction, or (iii) a Party sells to any Person(s) in one or more related transactions all or substantially all of its consolidated total assets. The public or private sale of equity securities by the current shareholders of a Party in a single or related series of transactions shall not constitute a Change in Control unless as a result of such sale or sales one Person or group of Persons acting in concert attains control of that Party or acquires or becomes the beneficial owner of more than fifty percent (50%) of the voting securities of that Party or such entity into which that Party has merged or consolidated.

1.10 "CK BACKGROUND TECHNOLOGY" means any and all Technology Controlled by CK as of the Effective Date or during the Research Term (regardless of when disclosed) and consisting of the CM System, embodied in CK's proprietary standard operating procedures described on EXHIBIT 1.10, or included as CK Background Technology pursuant to Section 3.5. The CK Background Technology excludes (i) any and all Collaboration Technology and Collaboration Knowledge, (ii) any and all Technology primarily related to the Prohibited Field, and (iii)

Technology provided to AZ hereunder by or on behalf of CK consisting of General Methods.

1.11 "CK COMPOUND" means each Compound intended or provided for use in the Research Program hereunder by or for CK, in each case identified by a CK Compound identifier listed on EXHIBIT 1.11 and identified therein as Public or Proprietary, including additional CK Compounds added pursuant to Section 3.2, and excluding CK Compounds removed as Proscribed Compounds pursuant to Section 3.2.

1.12 "CK COMPOUND DATA" means data proprietary to CK and conclusions derived by or for CK from such data (other than Collaboration Technology), existing as of the Effective Date or during the Research Term, comprised of data and information that describes or otherwise relates to a CK Compound, and (i) described in, included, or required to be provided to AZ under the Research Plan, or (ii) otherwise disclosed by CK to AZ in accordance with this Agreement.

1.13 "CK FACILITY" means the primary location at which CK performs the Research Program, as designated and updated in accordance with Section 2.2 from time to time.

1.14 "CK KNOWLEDGE" means Technology provided to AZ by or on behalf of CK during the Research Term for use in the Research Program, which in each case is not CK Background Technology, Collaboration Technology, Collaboration Knowledge, CK Compounds or CK Compound Data.

1.15 "CM SYSTEM" means that certain Technology Controlled by CK as of the Effective Date or during the Research Term consisting of the Cytometrix(TM) cellular phenotyping technologies system employing high-throughput fluidics, automation, microscopy, imaging analysis and advanced bioinformatics to automate cellular phenotyping, as described in more detail on EXHIBIT 1.15.

1.16 "COLLABORATION KNOWLEDGE" means all Technology conceived and/or reduced to practice or otherwise generated through activities performed under or in the scope of the

Research Program to the extent consisting of General Methods. For clarity, Collaboration Knowledge excludes all Technology developed in the course of the Exempt Activities.

1.17 "COLLABORATION TECHNOLOGY" means all Technology conceived and/or reduced to practice or otherwise generated through activities performed under or in the scope of the Research Program, solely by either AZ or CK or jointly by the Parties, excluding Collaboration Knowledge and excluding any Technology developed in the course of the Exempt Activities.

1.18 "COMPOUND" means a unique chemical entity.

1.19 "COMPOUND DATA" means the AZ Compound Data or the CK Compound Data, as applicable, and similar data generated pursuant to the Research Program.

1.20 "CONTRACT YEAR" means a year of 365 days (or 366 days in a leap year) beginning on the Effective Date and ending one (1) year thereafter and so on year-by-year. "CONTRACT YEAR ONE" means the first such year; "CONTRACT YEAR TWO" means the second such year, and so on, year-by-year.

1.21 "CONTROL" means, with respect to any item of Technology, or a particular Compound, or the related Intellectual Property Rights thereto, the possession of the right, whether directly or indirectly, and whether by ownership, license or otherwise, to disclose, deliver, assign, or grant a license, sublicense or other right to or under such applicable Technology, Compound or related Intellectual Property Rights, of the scope and as provided

for herein, without any of the following: (i) violating the terms of any agreement or other arrangement with any Third Party existing as of the Effective Date; (ii) the granting Party being required to pay any royalty or other consideration to any Third Party that would not have been required had the applicable right or license not been provided under this Agreement; or (iii) violating any law, regulation, rule, code, order or other requirement of any federal, state, foreign, local, or other government body or the need for any additional permits, payments, authorizations, or approvals under any such law, regulation, rule, code, order or requirement.

1.22 "CYTOMETRIX(TM) HEPATOTOXICITY MODULE" or "CHM" means that certain module of the CM System developed in the course of performance and scope of the Research Program, and directed to in vitro predictions of hepatotoxicity (i.e., in vitro image-based assays that can be used to support selection of chemical entities for drug discovery and development that may have a lower intrinsic potential to cause liver toxicity).

1.23 "DELIVERABLES" means certain identified items required to be delivered or provided by one Party to the other pursuant to the Research Program, as set forth in EXHIBIT 1.23.

1.24 "EFFECTIVE DATE" means the date as set forth in the preamble to this Agreement.

1.25 "EXEMPT ACTIVITIES" means, with respect to the specific Party identified on EXHIBIT 1.25, the corresponding activities set forth on EXHIBIT 1.25.

1.26 "FIELD" means the use of imaging-based cellular phenotyping, together with the use of analysis for the in vitro prediction of hepatotoxicity to support drug discovery and development. For the avoidance of doubt, "FIELD" excludes, without limitation, (i) any and all [*] applications (i.e., the direct or indirect [*]), (ii) [*] applications (i.e., the direct or indirect [*] whether by [*], [*], [*] or otherwise), (iii) any and all [*] or similar applications, or uses as a commercial service (e.g., as a service bureau or on behalf of any Third Party) or product, and (iv) the use of the CM System or any other Cytometrix(TM) cellular phenotyping and/or analysis technologies or similar technologies (other than the Cytometrix(TM) Hepatotoxicity Module) to investigate and engage in activities related to discovery and validation of any [*] and/or [*].

1.27 "FTE" means the equivalent of one researcher employed by CK or AZ having the requisite skills to fulfill CK's or AZ's obligations under this Agreement and devoting the equivalent hours of a full time employee. For purposes of this Agreement, "full time" shall mean 1880 hours per year as determined in accordance with the applicable Party's regular project hour reporting system.

1.28 "FULL LICENSE" has the meaning set forth in Section 5.7.

1.29 "FULL LICENSE TERM" means the period of time during which the Full License is in effect, beginning as of the date the Full License is first effective.

1.30 "GENERAL METHODS" means (a) methods or techniques for (i) cell culture, (ii) cell plating and conditions therefor, (iii) automation, (iv) automated image acquisition, (v) variable exposure of cells to treatment, and (vi) automated addition of treatment and stains; and (b) general knowledge of use to practitioners of toxicological studies or cellular phenotyping and analysis.

1.31 "IMPROVEMENT" means any improvement, adaptation, modification or

upgrade arising during the Pilot License Term and/or the Full License Term.

1.32 "INTELLECTUAL PROPERTY RIGHTS" means any and all intellectual property rights in, to, or arising out of any (i) Patents; (ii) trade secrets; (iii) know-how (iv) copyrights, copyright registrations, or any national or regional application therefor, in any territory, or any other right corresponding thereto throughout the world, including moral rights; or (v) any other intellectual property or proprietary right anywhere in the world, including rights in or to any data bases, data collections (including knowledge databases) or software (including any source code or object code form).

1.33 "JOINT RESEARCH COMMITTEE" or "JRC" means the committee established pursuant to Section 2.4 herein.

1.34 "JOINT STEERING COMMITTEE" or "JSC" means the committee established pursuant to Section 2.5 herein.

1.35 "PATENT" means any and all rights under any of the following, whether existing now or in the future: (i) all national, regional and international patents and patent applications,

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including provisional patent applications, utility model, design registration, certificate of invention, patent of addition or substitution, or other governmental grant for the protection of inventions or industrial designs anywhere in the world, including any reissue, renewal, re-examination or extension thereof; and (ii) any application for any of the foregoing, including any international, provisional, divisional, continuation, continuation-in-part, or continued prosecution application.

1.36 "PERFORMANCE CRITERIA" means the functional criteria for performance of the Cytometrix(TM) Hepatotoxicity Module, as set forth in EXHIBIT 1.36, as may be revised by the JRC or by mutual written agreement of the Parties.

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

1.38 "PILOT LICENSE" has the meaning set forth in Section 5.6.1.

1.39 "PILOT LICENSE TERM" is the period during which the Pilot License is effective, (A) commencing on the earlier of (i) the date after the last day of the Research Term or (ii) the date that the prototype Cytometrix(TM) Hepatotoxicity Module, installed at the CK Facility and used in connection with CK's infrastructure and instrumentation, first meets the Performance Criteria therefor, as determined pursuant to Section 3.4, and then (B) continuing until the earlier of (x) the date that the Cytometrix(TM) Hepatotoxicity Module, installed at the AZ Facility and used in connection with AZ's infrastructure and instrumentation, first meets the Performance Criteria therefor, as determined pursuant to Section 3.4, or (y) the first anniversary of the date of commencement (as described in clause (A) above) of the Pilot License Term, subject to extension by mutual written agreement of the Parties.

1.40 "PRINCIPAL SCIENTIST" means the AZ Principal Scientist or the CK Principal Scientist, as applicable, as each is defined in Sections 2.3.2 and 2.2.2, respectively.

1.41 "PROHIBITED FIELD" means any and all research, development or commercialization activities directed toward any [*] or products for any such applications.

1.42 "PROPRIETARY" means (i) with respect to a Compound, that the Party providing such Compound hereunder Controls Patents which specifically recite and specifically, but not solely generically, claim the making, possession, use, sale, import or export of such Compound or has maintained, as a trade secret, the composition of matter of such Compound, and (ii) with respect to Compound Data, such data has been maintained as a trade secret by the providing Party.

1.43 "PROSCRIBED COMPOUND" means:

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1.43.1 with respect to an AZ Compound, a Compound that is marked with the development flag in the [*] system. The development flag shall be applied only to a Compound meeting any of the following criteria: (i) the Compound is being actively developed; (ii) the Compound is commercially sensitive to AZ; or (iii) the Compound is an isomer of a Compound described in clause (i) or (ii). In marking with a development flag any Compound that is an AZ Compound hereunder, AZ shall apply the same criteria in a manner consistent with current internal policy and past practice as it does with other Compounds under similar circumstances.

1.43.2 with respect to a CK Compound, a Compound that has been designated as having restricted use within CK. Such restricted use applies only to a Compound meeting any of the following criteria: (i) the Compound is being actively developed; (ii) the Compound is commercially sensitive to CK; or (iii) the Compound is an isomer of a Compound described in clause (i) or (ii). In designating a Compound as having restricted use, CK shall apply the same criteria in a manner consistent with current internal policy and past practice as it does with other Compounds under similar circumstances.

1.44 "PUBLIC" means (i) with respect to a Compound, such Compound is not Proprietary, and (ii) with respect to AZ Compound Data or CK Compound Data, such data is not Proprietary.

1.45 "RESEARCH PLAN" means the document attached hereto as EXHIBIT 1.45 outlining the Research Program, the budget for the Research Program, and each Parties' undertakings and obligations, including allocation of FTEs by CK and AZ, in relation thereto.

1.46 "RESEARCH PROGRAM" has the meaning described in Section 2.1 hereof.

1.47 "RESEARCH TERM" means the period beginning on the Effective Date and continuing for two (2) years thereafter, as may be extended in accordance with Section 2.7 or by mutual written agreement of the Parties.

1.48 "TERM" means the period beginning on the Effective Date and continuing until the earlier of the date upon which this Agreement expires by its terms, is terminated in accordance with Article VIII, or extended by mutual written agreement of the Parties.

1.49 "TECHNOLOGY" means any and all of the following, including tangible copies and embodiments thereof:

1.49.1 information and materials (including Compounds) relating to the subject matter of this Agreement and including data such as test data (including pharmacological, toxicological and clinical test data) and image data

and in vitro and in vivo data;

1.49.2 experimental methods and techniques, including those that are part of or related to assays and cell cultures, screens, models, practices, and know-how, techniques, trade secrets, and inventions (whether or not patented or patentable);

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1.49.3 instrumentation, including selection and arrangement of instrumentation and setup or calibration settings;

1.49.4 computer software and code, and related technology, including flow diagrams, designs, assemblers, applets, compilers, algorithms, routines, design tools and user interfaces, in source code or object code form; and

1.49.5 antibodies, markers, cells and cell lines;

in each case (i) to the extent and for so long as such subject matter or materials are not generally available in the public domain or otherwise from a Third Party without restriction, except as a result of a Party's activities in violation of the terms or conditions of this Agreement, or (ii) to the extent and for so long as there are protectable Intellectual Property Rights subsisting in or encompassing those materials. 1.50 "THIRD PARTY" means any Person other than CK or AZ and the Affiliates of either.

ARTICLE II - RESEARCH PROGRAM

2.1 RESEARCH PROGRAM.

2.1.1 GENERALLY. CK and AZ agree to conduct a collaborative research program with the specific goal of creating the Cytometrix(TM) Hepatotoxicity Module for use in the Field as an in vitro predictor of hepatotoxicity (the "RESEARCH PROGRAM"). The Research Program shall be conducted solely in accordance with the Research Plan then in effect unless otherwise mutually agreed in writing by the Parties or through the JRC in accordance with Section 2.4.4.

2.1.2 DILIGENT EFFORTS. Each Party shall apply the same diligent efforts with respect to the Research Program as each, respectively, expends for its own high priority discovery technology programs. Without limiting the foregoing, each Party shall apply diligent efforts toward the performance of activities under the Research Program and allocate personnel and other resources as reasonably necessary to successfully complete those activities within the timeframes set forth in the Research Plan then in effect.

2.1.3 CONTRIBUTIONS. Each Party shall contribute to the Research Program the items identified in Article III.

2.2 CK FACILITIES AND CK PRINCIPAL SCIENTIST.

2.2.1 CK shall provide the facilities, equipment, and manpower that are reasonably necessary or useful to carry out the work undertaken by CK under the Research Program at 280 East Grand Avenue, South San Francisco, CA 94080 (the "CK FACILITY"). CK shall have the right to change the location of the CK Facility upon reasonable advance written notice to AZ.

2.2.2 The principal scientist designated by CK (the "CK PRINCIPAL SCIENTIST") shall be responsible for all Research Program activities undertaken by CK and shall supervise the work of all personnel engaged by CK in the Research Program. The CK Principal Scientist shall serve as the primary contact for AZ on all matters related to the Research Program. The CK Principal Scientist is [*]. CK may change the CK Principal Scientist, but only to a similarly qualified individual and only on providing AZ with prior written notice. Notwithstanding any change in the identity of the CK Principal Scientist, CK shall continue to be responsible for performing the activities undertaken by it under the Research Program and any consent or agreement by AZ pursuant to this Section 2.2.2 shall not be deemed to be a waiver of any right or remedy AZ may have in relation to any failure of CK to conduct such activities.

2.3 AZ FACILITIES AND AZ PRINCIPAL SCIENTIST.

2.3.1 AZ shall provide the facilities and equipment that are reasonably necessary or useful to carry out the work undertaken by AZ under the Research Program at [*] (the "AZ FACILITIES"). To the extent AZ is authorized to use the Collaboration Technology or CK Background Technology at more than one facility controlled by AZ, AZ shall designate in writing to CK each such facility at which it is using the Collaboration Technology or CK Background Technology. AZ shall provide prompt written updates of changes in the location of any AZ Facility and AZ shall have the right to change the locations of the AZ Facilities upon reasonable advance written notice to CK; provided that after CK's delivery of the Cytometrix(TM) Hepatotoxicity Module such changes shall only be effective upon CK's written approval.

2.3.2 The principal scientist designated by AZ (the "AZ PRINCIPAL SCIENTIST") shall be responsible for all Research Program activities undertaken by AZ and shall supervise the work of all personnel engaged by AZ in the Research Program. The AZ Principal Scientist shall serve as the primary contact for CK on all matters related to the Research Program. The AZ Principal Scientist is [*]. AZ may change the AZ Principal Scientist, but only to a similarly qualified individual and only on providing CK with prior written notice. Notwithstanding any change in the identity of the AZ Principal Scientist, AZ shall continue to be responsible for performing the activities undertaken by it under the Research Program, and any consent or agreement by CK pursuant to this Section 2.3.2 shall not be deemed to be a waiver of any right or remedy CK may have in relation to any failure of AZ to conduct such activities.

2.4 THE JOINT RESEARCH COMMITTEE. Promptly after the Effective Date, the Parties shall establish a Joint Research Committee (the "JRC") as set forth in this Section 2.4. The JRC will exist until the end of the Pilot License Term. Each Party shall keep the JRC informed of its progress and activities within the Research Program.

2.4.1 MEMBERSHIP. The JRC shall be comprised of an equal number of representatives from each of AZ and CK, initially three (3) from each of AZ and CK, including one lead representative from each Party (who may be but is not required to be the CK Principal Scientist for CK and the AZ Principal Scientist for AZ) and any ad hoc members as requested by either Party and approved by the other Party in writing. For CK, the lead representative is [*]; for AZ, the lead representative is [*]. A Party may replace its lead representative or other

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representatives to the JRC with other similarly qualified individuals by providing advance written notice to the other Party.

2.4.2 MEETINGS. The JRC shall meet regularly during the Research Term and the Pilot License Term, including face-to-face meetings to be held at least quarterly, telephone or videoconference calls to be held at least monthly, with additional regular e-mail and telephone exchanges among the members. The JRC shall create and agree on written minutes for each meeting of the JRC. The Parties shall alternate responsibility for chairing the meetings. Each Party shall bear the expenses of its JRC members related to such members' participation on the JRC and attendance at JRC meetings.

2.4.3 RESPONSIBILITIES.

(a) The JRC shall have responsibility for: (i) reviewing and coordinating the Research Program, and for expediting work progress under the Research Plan currently in effect; (ii) overseeing, reviewing, recommending the direction of, and allocating resources under the Research Program; (iii) preparing the Research Plan for each Contract Year (other than Contract Year One); (iv) adapting and revising the Research Plan, if appropriate; (v) approving any use of a Third Party's Technology or Intellectual Property Rights in connection with the Research Program; (vi) tracking and recording Compound Data provided under Section 3.2 or otherwise generated pursuant to the Research Program; (vii) monitoring performance of the Research Program, including comparing its progress to established goals and revising the Performance Criteria as may be required or appropriate from time to time, including to address removal of Proscribed Compounds or Proscribed Compounds pursuant to Section 3.2.4 or 3.2.5; and (viii) carrying out other responsibilities or making any other decisions as are expressly allocated to the JRC under this Agreement.

(b) The Parties, through the JRC, shall discuss and consider a proposal to expand the Research Program to include [*] activities with respect to AZ Compounds and CK Compounds. Such discussions shall commence no more than [*] ([*]) months after the Effective Date. If such proposal is approved by the Parties following the recommendation of the JRC, then the Research Plan and this Agreement will be revised to reflect such expansion, which may include modification of the Field to include [*]. If such expansion is not approved, then the Parties, through the JRC, shall discuss and consider a proposal to extend the licenses to AZ Compound Data and AZ Compounds to permit CK to conduct [*] at its own expense outside the Research Program.

2.4.4 DECISION MAKING. The JRC shall endeavor to reach consensus on all matters brought before it. Decisions of the JRC must be made with participation of at least two (2) representatives of each Party and by unanimous vote of each participating representative. Decisions will be included in the written minutes of a meeting, with such written minutes approved by all Persons present at such a meeting of the JRC. In the event the JRC is unable to resolve an outstanding matter, such matter shall be referred for resolution in good faith by the Joint Steering Committee (JSC) as described in Section 2.5.

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2.5 THE JOINT STEERING COMMITTEE. Promptly after the Effective Date, the Parties shall establish a Joint Steering Committee (the "JSC") as set forth in this Section 2.5. The JSC will exist throughout the term of this Agreement.

2.5.1 MEMBERSHIP. The JSC shall be comprised of two (2) representatives from each of AZ and CK. For AZ, the representatives are [*] and [*]. For CK, the representatives are [*] and another individual to be selected

by CK by written notice to AZ. Each Party may replace its representatives on the JSC at any time by providing written notice to the other Party. Replacements must have comparable seniority, responsibility and knowledge or experience.

2.5.2 MEETINGS. The JSC shall meet at least once annually during the Research Term, and as necessary from time to time during the remainder of the Term, including face-to-face meetings, telephone or video conference calls. The location and other logistics of any meeting will be determined by the JSC. The JSC shall create and agree on written minutes for each meeting of the JSC. Each party shall bear the expenses of its JSC members related to such members' participation on the JSC and attendance at JSC meetings.

2.5.3 RESPONSIBILITIES. The JSC shall have responsibility to oversee and review the Research Program and to arbitrate decision making as described below.

2.5.4 DECISION MAKING. Decisions of the JSC shall be made by unanimous vote, with each Party having a single vote irrespective of the number of representatives actually in attendance at a meeting. Decisions will be included in the written minutes of a meeting, with such written minutes approved by all persons present at such a meeting of the JSC. If the Parties are unable to reach resolution within [*] ([*]) days following the date the matter in dispute is first brought to the attention of the JSC, that matter shall be resolved in accordance with Section 10.2.

2.6 RESEARCH PLAN.

2.6.1 INITIAL RESEARCH PLAN. The initial Research Plan, which covers the Research Program during Contract Year One, is attached as EXHIBIT 1.45. The Parties acknowledge and agree that such initial Research Plan sets forth the goals and objectives of the Research Program and the broad terms of the Parties' respective undertakings to achieve those goals and objectives. The Parties further acknowledge and agree that the Research Plan will be supplemented and otherwise amended by the JRC from time to time during the Research Term for each stage of the Research Program to identify and define the specific undertakings of the Parties required to implement the Research Program.

2.6.2 NEW RESEARCH PLANS. At least three (3) months prior to the end of each Contract Year during the Research Term, the JRC shall meet to establish the Research Plan for the upcoming Contract Year. The JRC shall establish such Research Plan no later than thirty (30) days prior to the end of the then-current Contract Year.

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2.6.3 REVISED RESEARCH PLANS. In addition to new Research Plans, the JRC shall review each Research Plan on an ongoing basis and may make changes thereto in accordance with the procedures in Section 2.4.4.

2.6.4 REQUIREMENTS OF THE RESEARCH PLAN. Unless otherwise agreed by each Party, the Research Plan must be consistent with the terms in Article III and this Agreement generally.

2.7 EXTENSION OF RESEARCH TERM. [*] ([*]) days prior to the expiration of the initial Research Term, the JRC shall discuss the possibility of extending the Research Program and correspondingly the Research Term. In such event, if the Parties do not reach agreement on an extension of the Research Term prior to the expiration of the initial Research Term, then the expiration date for the initial Research Team will be extended for [*] ([*]) days, in order to continue negotiation of the terms and conditions for an extension of the Research Term,

if any.

2.8 INFORMATION AND REPORTS. During the Research Term, each Party shall provide to the other, through the JRC, a written report summarizing the progress of its activities and performance of the Research Program, and including data and information pertaining to assays, protocols and procedures developed for use with the Cytometrix(TM) Hepatotoxicity Module, and other information and Technology as otherwise provided in the applicable Research Plan. Unless otherwise agreed, such reports shall be due thirty (30) days after the end of each calendar quarter and after the end of the Research Term. Upon the written request of a Party, the other Party shall provide that requesting Party with raw data generated by or on behalf of such other Party within the Collaboration Technology and Collaboration Knowledge, to the extent not previously provided hereunder. Without limiting the foregoing, each Party shall disclose to the other Party, any and all Collaboration Technology and Collaboration Knowledge, including any discoveries or inventions made by such Party in the scope of the Research Program or pursuant to carrying out the Research Program, with significant discoveries or advances being communicated as soon as practical after such Collaboration Technology or Collaboration Knowledge is developed.

ARTICLE III - CONTRIBUTIONS TO THE RESEARCH PROGRAM

3.1 FTES. In its conduct of its activities under the Research Program and unless otherwise mutually agreed in writing or determined by the JRC, each Party shall assign the number of FTEs to the Research Program as follows: CK shall commit [*] ([*]) FTEs during each Contract Year to perform activities under the Research Program in accordance with the Research Plan then in effect, and AZ shall commit [*] FTEs during the Research Term to perform activities under the Research Program in accordance with the Research Plan then in effect. For clarity, AZ has agreed to fund during each Contract Year of the Research Term [*] ([*]) of the FTEs committed by CK, as described in Section 6.1.

3.2 COMPOUNDS AND COMPOUND DATA.

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3.2.1 AZ shall identify the AZ Compounds to be used in the Research Program, and shall provide to CK the AZ Compounds in reasonable quantities, but at least [*] for each AZ Compound. For each AZ Compound, AZ shall provide the information, to the extent such information exists on the Effective Date, contemplated by the version of EXHIBIT 1.4 attached to this Agreement as of the Effective Date (which information, it is understood, may be different for Proprietary and Public AZ Compounds). In addition to the information on EXHIBIT 1.4, for each AZ Compound, AZ shall provide compound purity and analytical and quality control data and procedures, to the extent such information exists on the Effective Date. AZ is not required to provide [*] for any Proprietary AZ Compounds. During the Research Term, AZ may include additional Compounds as AZ Compounds upon written notice to CK or by mutual written agreement of the Parties. For each such AZ Compound, AZ shall provide the AZ Compound Data on EXHIBIT 1.4 and the other AZ Compound Data required pursuant to this Section 3.2.1, to the extent such information exists at the time such AZ Compound is added.

3.2.2 CK shall identify the CK Compounds to be used in the Research Program, and make available for use in the Research Program, the CK Compounds in reasonable quantities, but at least [*] for each CK Compound. For each CK Compound, CK shall provide the information, to the extent such information exists on the Effective Date, contemplated by the version of EXHIBIT 1.11 attached to this Agreement as of the Effective Date (which information, it is understood, may be different for Proprietary and Public CK Compounds). In

addition to the information on EXHIBIT 1.11, for each CK Compound, CK shall provide compound purity and analytical and quality control data and procedures, to the extent such information exists on the Effective Date. CK is not required to provide [*] for any Proprietary CK Compounds. During the Research Term, CK may include additional Compounds as CK Compounds upon written notice to AZ or by mutual written agreement of the Parties. For each such CK Compound, CK shall provide the CK Compound Data on EXHIBIT 1.11 and other CK Compound Data required pursuant to this Section 3.2.2, to the extent such information exists at the time such CK Compound is added.

3.2.3 Each Party's rights with respect to the Compounds and Compound Data delivered under this Agreement are as set forth in Section 5.3.

3.2.4 AZ may remove any Proprietary AZ Compound from use in the Research Program, upon written notice to CK, if that Proprietary AZ Compound becomes or is named a Proscribed Compound. EXHIBIT 1.4 shall be amended accordingly and such Compound no longer shall be an "AZ Compound" for purposes of this Agreement. Upon CK's receipt of notice that a Compound is a Proscribed Compound and is being removed as an AZ Compound, CK shall, in AZ's sole discretion and at AZ's direction and expense, return or destroy those removed Proscribed Compounds.

3.2.5 CK may remove a Proprietary CK Compound from use in the Research Program, upon written notice to AZ, if that Proprietary CK Compound becomes or is named a Proscribed Compound. EXHIBIT 1.11 shall be amended accordingly and such Compounds no longer shall be "CK Compounds" for purposes of this Agreement. Upon AZ's receipt of notice that a Compound is a Proscribed Compound and is being removed as a CK Compound, AZ shall,

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in CK's sole discretion and at CK's direction and expense, return or destroy those removed Proscribed Compounds.

3.2.6 For clarity, nothing herein shall be deemed to create an obligation on behalf of either Party to provide the other Party with Compounds after the expiration of the Research Term, except that on an ongoing basis after termination or expiration of the Research Term, AZ shall provide Proprietary AZ Compounds to CK in specific amounts under the conditions described in this Section 3.2.6 for the purpose of enabling CK to [*]. AZ shall provide Proprietary AZ Compounds on the limited basis described herein in accordance with the restrictions set forth in Section 3.2.7, Section 5.3 and other reasonable and customary terms, provided the amount of payment for those Proprietary AZ Compounds shall not exceed AZ's documented direct and reasonably allocable indirect costs in obtaining such Compounds for any reason.

3.2.7 AZ's obligations under Section 3.2.6 shall extend for no longer than five (5) years after the date of expiration or termination of the Research Term, but shall cease immediately upon termination of this Agreement under Section 8.2.1 for CK's material breach or upon termination of this Agreement under Section 8.2.3 for lack of feasibility.

3.2.8 AZ represents and warrants that no AZ Compound on EXHIBIT 1.4 is, as of the Effective Date, a Proscribed Compound. CK represents and warrants that no CK Compound on EXHIBIT 1.11 is, as of the Effective Date, a Proscribed Compound.

3.3 DELIVERABLES. CK shall deliver or otherwise make available to AZ the Deliverables, as defined in EXHIBIT 1.23. The timing, form and manner of delivery are set forth on the Research Plan, including which of the software

components of the Cytometrix(TM) Hepatotoxicity Module or other Deliverables will be delivered in source code form and which in object code form. The Research Plan also sets forth the infrastructure and instrumentation required for use of the Cytometrix(TM) Hepatotoxicity Module, and objectives for development, delivery and functionality of the Cytometrix(TM) Hepatotoxicity Module, including parameters for expandability and flexibility.

3.4 EVALUATION OF CYTOMETRIX(TM) HEPATOTOXICITY MODULE. After the prototype Cytometrix(TM) Hepatotoxicity Module is installed at the CK Facility and used in connection with CK's infrastructure and instrumentation, and then again after the Cytometrix(TM) Hepatotoxicity Module is installed at the AZ Facility and used in connection with AZ's infrastructure and instrumentation, the Parties jointly shall perform mutually agreed testing and other evaluation procedures to determine whether the Cytometrix(TM) Hepatotoxicity Module meets the Performance Criteria. If the Parties disagree as to whether the Performance Criteria have been met, then the Parties shall cooperate to resolve any disagreement. Where resolution is within the scope of the then-existing Research Plan, the Parties shall cooperate to resolve the disagreement first under Section 2.4 through the JRC, then under Section 2.5 through the JSC, and then pursuant to Section 10.2. Where resolution is outside the scope of the then-existing Research Plan, the Parties shall cooperate to resolve the disagreement under Section 2.5 through the JSC, and then pursuant to Section 10.2.

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3.5 TECHNOLOGY AND DELIVERY. AZ shall use diligent efforts to make available for disclosure and delivery to CK, and CK shall use diligent efforts to make available for disclosure and delivery to AZ, any and all Technology that is (a) Controlled by the disclosing Party, (b) known to the disclosing Party's personnel responsible for the Research Program or to individuals that report to such personnel, and (c) is either reasonably required or known to be useful to undertaking the activities under the Research Program or performing the obligations required and activities contemplated under this Agreement, whether such Technology arises out of Exempt Activities or otherwise (such Technology, "RELEVANT TECHNOLOGY"). Relevant Technology includes AZ Knowledge, CK Knowledge, AZ Background Technology and CK Background Technology. Notwithstanding the foregoing, Relevant Technology shall exclude a Party's Technology to the extent that disclosure of that Technology would materially compromise an ongoing drug discovery or development program conducted by or on behalf of that Party. Relevant Technology shall be disclosed in accordance with this Section 3.5 below. Such disclosure shall occur within [*] ([*]) months from the time the disclosing Party's personnel responsible for the Research Program or individuals that report to such personnel become aware of such Relevant Technology.

3.5.1 If a disclosing Party deems Relevant Technology to be AZ Background Technology or CK Background Technology, as applicable, then prior to disclosing that Relevant Technology to the other Party hereunder, the disclosing Party shall provide to the JRC a summary of that Relevant Technology, in sufficient detail to determine whether that Relevant Technology is AZ Background Technology or CK Background Technology, as applicable. The JRC will confirm that such Relevant Technology is AZ Background Technology or CK Background Technology; provided that it is not required to do so to the extent the Relevant Technology consists of General Methods; and provided further and notwithstanding the foregoing that the JRC is required to agree that Relevant Technology is AZ Background Technology or CK Background Technology to the extent it consists of a type of Technology already similar to that within CK Background Technology or AZ Background Technology.

3.5.2 If the JRC confirms that Relevant Technology is AZ Background

Technology or CK Background Technology, as applicable, then the Party to receive such Technology hereunder shall promptly notify the disclosing Party, within [*] ([*]) business days after confirmation by the JRC, if it does not wish to receive such Relevant Technology; and provided further that AZ may not decline to receive Relevant Technology to the extent that Relevant Technology is reasonably necessary for the CHM to meet the Performance Criteria. The Parties may agree that certain Technology should be disclosed in a different form or manner (e.g., in object code rather than in source code), as appropriate. Exhibit 1.3 or Exhibit 1.10, as applicable, shall be amended to include such additional AZ Background Technology or CK Background Technology.

3.5.3 If the JRC does not confirm such Relevant Technology as AZ Background Technology or CK Background Technology and the receiving Party has declined to receive such Relevant Technology, then the disclosing Party has no obligation to disclose such Relevant Technology, and if the disclosing Party, at its option, discloses such Technology, then it will be deemed AZ Knowledge or CK Knowledge, as appropriate.

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ARTICLE IV - EXCLUSIVITY OF EFFORTS

4.1 EXCLUSIVITY OF EFFORTS. Except for the Exempt Activities, during the Research Term and for six (6) months thereafter, neither AZ nor CK shall collaborate or otherwise cooperate with any Third Party to, and neither AZ nor CK shall, perform research or development specifically directed to the Field, other than under the Research Program. For the avoidance of doubt, during the Research Term and for six (6) months thereafter, nothing herein shall restrict either Party in any way from using or purchasing or in-licensing for use from Third Parties generally and commercially available standard and un-customized technologies or instrumentation which could have application in or out of the Field so long as such technologies or instrumentation are not used in the Field. It is understood that even if the foregoing exclusivity provision terminates or expires, each Party shall continue diligently to endeavor to fulfill all of its obligations hereunder during the remainder of the term of the Agreement, including those obligations directed at enabling the Cytometrix(TM) Hepatotoxicity Module to meet the Performance Criteria.

4.2 PERMITTED ACTIVITIES. Nothing herein shall be deemed to prevent or restrict AZ's or CK's rights to undertake and perform the Exempt Activities and CK's right to develop and commercialize the CM System for any and all applications outside of the Field. Likewise, nothing herein shall be deemed to prevent or restrict either Party's right to develop or commercialize methods of or systems for in vitro prediction of hepatotoxicity when those methods or systems are outside of the Field; provided that the Party is complying with its obligations hereunder with respect to Confidential Information and Intellectual Property Rights of the other Party.

ARTICLE V - OWNERSHIP AND LICENSE GRANTS

5.1 OWNERSHIP.

5.1.1 AZ OWNERSHIP. AZ owns and shall own all right, title and interest in and to the AZ Background Technology, AZ Compounds, AZ Compound Data, AZ Knowledge and all Intellectual Property Rights therein. As between the Parties, AZ has the exclusive right, at its sole discretion and expense, to apply for, register, maintain and enforce Patents and other Intellectual Property Rights as it deems appropriate with respect to any of the AZ Background

Technology, AZ Compounds, AZ Compound Data and AZ Knowledge.

5.1.2 CK OWNERSHIP. CK owns and shall own all right, title and interest in and to the CM System, CK Compounds, CK Compound Data, CK Background Technology, CK Knowledge and all Intellectual Property Rights therein. Further, CK owns and shall own all right, title and interest in and to the Collaboration Technology and Collaboration Knowledge, and in and to the Cytometrix(TM) Hepatotoxicity Module, and all Intellectual Property Rights therein. Accordingly, AZ hereby assigns to CK any and all right, title and interest in and to the Collaboration Technology, Collaboration Knowledge, and the Cytometrix(TM) Hepatotoxicity Module, together in each case with all Intellectual Property Rights therein that AZ may acquire as a result of its performance of the Research Program or activities under the Pilot License (1) except that AZ shall not assign those Improvements (and the Intellectual Property Rights therein) owned by AZ pursuant to Section 5.1.3, and (2) the foregoing assignment is subject to the licenses granted by CK to AZ under Sections 5.4.2, 5.4.3, 5.5, 5.6 and 5.7. As between the

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Parties, CK has the exclusive right, at its sole expense, to apply for, register, maintain and enforce Patents and other Intellectual Property Rights as it deems appropriate with respect to any of the CK Background Technology, CK Knowledge, CK Compounds, CK Compound Data, Cytometrix(TM) Hepatotoxicity Module, Collaboration Technology, Collaboration Knowledge and Improvements owned by CK under Section 5.1.3. AZ agrees to execute documents, render such reasonable assistance, and take such other reasonable action at CK's expense as CK may reasonably request to apply for, register, perfect, confirm, and protect the rights it assigns to CK under this Section 5.1.2.

5.1.3 IMPROVEMENTS. Without limiting Section 5.1.2, (i) all AZ Improvements are owned by AZ (subject to the licenses granted to CK under Section 5.1.4), and (ii) all other Improvements to the Cytometrix(TM) Hepatotoxicity Module arising during the Pilot License Term, whether created jointly or solely by one of the Parties, are owned by CK. Accordingly, AZ hereby assigns to CK any and all right, title and interest in and to any Improvements owned by CK pursuant to this Section 5.1.3. AZ agrees to execute documents, render such reasonable assistance, and take such other reasonable action at CK's expense as CK may reasonably request to apply for, registered, perfect, confirm and protect the rights it assigns to CK under this Section 5.1.3. After the end of the Pilot License Term, Improvements to the Cytometrix(TM) Hepatotoxicity Module made by CK shall be owned by CK and Improvements to the Cytometrix(TM) Hepatotoxicity Module made by AZ shall be owned by AZ. For avoidance of doubt, neither Party has any right, license or access to Improvements made by the other Party after the end of the Pilot License Term.

5.1.4 LICENSE TO AZ IMPROVEMENTS. AZ agrees to grant and hereby grants CK a worldwide, perpetual, irrevocable, non-exclusive right and license, including the right to grant and authorize sublicenses, under AZ Intellectual Property Rights in AZ Improvements.

5.2 LICENSES TO BACKGROUND TECHNOLOGY.

5.2.1 AZ GRANT TO CK. AZ agrees to grant and hereby grants CK a non-exclusive, worldwide, royalty-free right and license, under AZ Intellectual Property Rights in AZ Background Technology, to use AZ Background Technology solely for the purposes of CK performing the Research Program during the Research Term. Upon completion of the Research Program and CK delivering to AZ the items required to be provided under the Research Plan, and upon the

Cytometrix(TM) Hepatotoxicity Module, as installed at the CK Facility, meeting the Performance Criteria, AZ agrees to grant and hereby grants to CK a non-exclusive, worldwide, royalty-free, perpetual right and license, limited to the Field, under AZ Intellectual Property Rights in AZ Background Technology, for CK to practice AZ Background Technology in the production, use and modification of the Cytometrix(TM) Hepatotoxicity Module and Improvements thereof. For five (5) years following the expiration of the Research Term, CK's license under this Section 5.2.1 shall be restricted solely for internal research purposes, which internal research purposes include CK's use of the Cytometrix(TM) Hepatotoxicity Module in its research collaborations with any collaborator when required to advance the research collaboration or CK's internal drug discovery and development programs; provided that the Cytometrix(TM) Hepatotoxicity Module is not the predominant component of the

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relationship between CK and such collaborator and provided further that in any research collaboration the Cytometrix(TM) Hepatotoxicity Module is used for activities such as to inform lead generation or to triage hits and leads rather than solely for activities such as screening entire libraries of compounds. For the avoidance of doubt however, such internal research use shall expressly exclude exploitation of the Cytometrix(TM) Hepatotoxicity Module as a commercial product or service (e.g., as a service bureau), except as expressly provided above. In connection with such internal research purposes, CK may authorize collaborators and others to access and use of the AZ Background Technology at CK's facility. After the first five (5) years after the Research Term, CK is free to sublicense its rights under this Section 5.2.1 without restriction.

5.2.2 CK GRANT TO AZ. CK agrees to grant and hereby grants AZ a non-exclusive, worldwide, royalty-free right and license, outside the Prohibited Field and limited to the Field, under CK Intellectual Property Rights in CK Background Technology, to use CK Background Technology solely for the purposes of AZ performing the Research Program during the Research Term. To the extent that CK Background Technology is software and is delivered to AZ in object code form, AZ shall not reverse engineer or otherwise attempt to derive source code from that software.

5.3 LICENSES TO COMPOUNDS AND COMPOUND DATA.

5.3.1 AZ GRANT TO CK.

(a) AZ agrees to grant and hereby grants CK a non-exclusive, worldwide, royalty-free license under AZ Intellectual Property Rights in AZ Compounds and AZ Compound Data in the Field (a) during the Research Term, solely in connection with CK's performance of the Research Program and in accordance with the Research Plan, (b) during and after the Research Term, to perform purity analysis, and (c) after the Research Term (1) for CK to validate results from, calibrate, and improve the performance of the Cytometrix(TM) Hepatotoxicity Module and Improvements thereof, and (2) as expressly provided in Section 7.3. CK agrees that although it may perform purity analysis as set forth above, neither it nor any of its employees, agents or assigns shall attempt to determine the chemical structure of, or otherwise characterize, the AZ Compounds proprietary to AZ without the prior written consent of AZ. For five (5) years following the expiration of the Research Term, CK's license under this Section 5.3.1 shall be restricted solely for internal research purposes. For purposes of this Agreement, internal research purposes include CK's use of the

Cytometrix(TM) Hepatotoxicity Module in its research collaborations with any collaborator when required to advance the research collaboration or CK's internal drug discovery and development programs; provided that the Cytometrix(TM) Hepatotoxicity Module is not the predominant component of the relationship between CK and such collaborator and provided further that in any research collaboration the Cytometrix(TM) Hepatotoxicity Module is used for activities such as to inform lead generation or to triage hits and leads rather than solely for activities such as screening entire libraries of compounds. For the avoidance of doubt however, such internal research use shall expressly exclude exploitation of the Cytometrix(TM) Hepatotoxicity Module as a commercial product or service (e.g., as a service bureau), except as expressly provided above. In connection with such internal research purposes, CK may authorize collaborators and others to access and use of the AZ Compounds and Compound Data

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at CK's facility. After the first five (5) years after the Research Term, CK is free to sublicense its rights to the AZ Compound Data for the purpose of validating results from and calibrating the CHM and Improvements thereof under this Section 5.3.1(a).

(b) CK shall maintain written records regarding the use of AZ Compounds and AZ Compound Data, and upon reasonable advance written notice and during regular business hours, CK shall permit AZ or its authorized designee to access CK Facilities, and to review required documentation to determine compliance with the terms of this license.

5.3.2 CK GRANT TO AZ. CK agrees to grant and hereby grants AZ a non-exclusive, worldwide, royalty-free license, but excluding all activities in the Prohibited Field, under CK Intellectual Property Rights in CK Compounds and CK Compound Data in the Field (a) during the Research Term, solely in connection with AZ's performance of the Research Program and in accordance with the Research Plan, (b) during and after the Research Term, to perform purity analysis, and (c) after the Research Term (1) for AZ to validate results from, calibrate, and improve the performance of the Cytometrix(TM) Hepatotoxicity Module and Improvements thereof, and (2) as expressly provided in Section 7.3. AZ agrees that although it may perform purity analysis as set forth above, neither it nor any of its employees, agents or assigns shall attempt to determine the chemical structure of, or otherwise characterize, the CK Compounds proprietary to CK without the prior written consent of CK.

5.3.3 PUBLIC COMPOUNDS AND PUBLIC COMPOUND DATA. The Parties acknowledge that, with respect to any CK Compound or AZ Compound that is designated as Public on EXHIBIT 1.11 or EXHIBIT 1.4 (as applicable) (together with corresponding CK Compound Data or AZ Compound Data), nothing in this Agreement will be construed to restrict either Party in any manner from using, disclosing, reproducing, or obtaining from other sources such Compounds or such data and information.

5.4 KNOWLEDGE LICENSES.

5.4.1 AZ KNOWLEDGE. AZ grants CK an automatic, worldwide, non-exclusive, royalty-free, perpetual and irrevocable license to use, reproduce and otherwise exploit AZ Knowledge. The license granted in this Section 5.4.1 includes the right to disclose such AZ Knowledge to, and authorize further

disclosure and use by, Third Parties in connection with ongoing discovery, development, collaboration and marketing or other activities. Disclosure to Third Parties must be under appropriate terms and conditions including restrictions equivalent to any in this Section 5.4.1 and, to the extent any AZ Knowledge also is AZ's Confidential Information, confidentiality provisions substantially equivalent to those in this Agreement.

5.4.2 CK KNOWLEDGE. CK grants AZ an automatic, worldwide, non-exclusive, royalty-free, perpetual and irrevocable license, to use, reproduce and otherwise exploit CK Knowledge, solely for applications outside the Prohibited Field. The license granted in this Section 5.4.2 includes the right to disclose such CK Knowledge to, and authorize further disclosure use by, Third Parties in connection with ongoing discovery, development, collaboration and marketing or other activities. Disclosure to Third Parties must be under appropriate terms and conditions including restrictions equivalent to any in this Section 5.4.2 and, to the extent any CK Knowledge also is CK's Confidential Information, confidentiality provisions substantially equivalent to those in this Agreement.

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5.4.3 COLLABORATION KNOWLEDGE. During and after the Research Term, CK grants AZ an automatic, worldwide, non-exclusive, royalty-free, perpetual and irrevocable license, to use, reproduce and otherwise exploit Collaboration Knowledge, solely for applications outside the Prohibited Field. The license granted in this Section 5.4.3 includes the right to disclose such Collaboration Knowledge to, and authorize further disclosure use by, Third Parties in connection with ongoing discovery, development, collaboration and marketing or other activities by or on behalf of AZ. Disclosure to Third Parties of Collaboration Knowledge licensed under this Section must be under appropriate terms and conditions including restrictions equivalent to any in this Section 5.4.3 and, to the extent any such Collaboration Knowledge also is CK's Confidential Information, confidentiality provisions substantially equivalent to those in this Agreement.

5.5 COLLABORATION TECHNOLOGY LICENSES.

5.5.1 CYTOMETRIX(TM) HEPATOTOXICITY MODULE MEETS PERFORMANCE CRITERIA. Upon the Cytometrix(TM) Hepatotoxicity Module meeting the Performance Criteria at the AZ Facility (as determined pursuant to Section 3.4), CK agrees to grant and hereby grants to AZ a worldwide, perpetual, non-transferable (except in accordance with Section 10.4), non-exclusive right and license, outside the Prohibited Field, under CK Intellectual Property Rights in Collaboration Technology. The rights granted in this Section 5.5.1 do not extend to the use, development or exploitation of Collaboration Technology in the Field, which restriction is for a period not to exceed two (2) years following the Pilot License Term (subject to earlier termination of the foregoing restriction pursuant to Section 8.3.2(b) for termination of the Agreement under Section 8.2.1).

5.5.2 OPTION FOR LICENSES WHEN CYTOMETRIX(TM) HEPATOTOXICITY MODULE FAILS TO MEET PERFORMANCE CRITERIA OR AGREEMENT IS TERMINATED PURSUANT TO SECTION 8.2.3. If either (1) the Parties determine that the Cytometrix(TM) Hepatotoxicity Module has not met the Performance Criteria (as determined pursuant to Section 3.4) or (2) this Agreement is terminated prior to the end of the Pilot License Term pursuant to Section 8.2.3 (Lack of Feasibility), then AZ may, at its option, obtain a license to Collaboration Technology as set forth in this Section 5.5.2. Upon the occurrence of either of the conditions outlined

above, AZ may provide notice to CK of its desire to obtain such a license, and the Parties will negotiate in good faith an amount to be paid for the license, but not to exceed US$[*]. Upon payment of such amount, CK agrees to grant and hereby grants to AZ a worldwide, perpetual, non-exclusive, non-transferable (except in accordance with Section 10.4), irrevocable right and license under CK Intellectual Property Rights in Collaboration Technology, solely for applications outside the Prohibited Field.

5.6 PILOT LICENSE AND SUPPORT.

5.6.1 PILOT LICENSE. Upon the Cytometrix(TM) Hepatotoxicity Module meeting the Performance Criteria at the CK Facility, CK agrees to grant and hereby grants AZ, during the Pilot License Term, a worldwide, non-exclusive, non-transferable (except in accordance with Section 10.4), royalty-free right and license in the Field (but excluding all activities or applications in the Prohibited Field), under CK Intellectual Property Rights in CK Knowledge,

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CK Background Technology and Collaboration Technology, to use the Cytometrix(TM) Hepatotoxicity Module, together with any Improvements owned by CK, solely for its own internal research at the AZ Facility (the "PILOT LICENSE"). To the extent that a software component of the Cytometrix(TM) Hepatotoxicity Module is delivered in object code form, the license granted extends only to the object code form and not the source code form of that software, and AZ shall not, and shall not permit any Third Party to, reverse engineer or decompile, or otherwise attempt to derive source code from that software component. To the extent that a software component of the prototype version of the Cytometrix(TM) Hepatotoxicity Module is delivered in source code form, AZ shall not modify that software component and the use and disclosure thereof is subject to the requirements of Section 7.1; however, it is understood that AZ may compile such source code to create the object code derivative thereof.

5.6.2 SUPPORT. CK shall provide technical support as set forth on EXHIBIT 5.6.2 with respect to the Cytometrix(TM) Hepatotoxicity Module. For clarity, CK has no support obligations other than as expressly set forth on that EXHIBIT 5.6.2.

5.7 AZ FULL LICENSE TO CYTOMETRIX(TM) HEPATOTOXICITY MODULE.

5.7.1 LICENSES. Upon the Cytometrix(TM) Hepatotoxicity Module meeting the Performance Criteria at the AZ Facility, and upon payment by AZ of the Milestone Payment under Section 6.2 and the Annual License Renewal Fees thereafter, CK agrees to grant and hereby grants AZ, during the Full License Term, a worldwide, non-exclusive, non-transferable (except in accordance with Section 10.4), royalty-free right and license in the Field (but excluding all activities or applications in the Prohibited Field), under CK Intellectual Property Rights in CK Knowledge, CK Background Technology and Collaboration Technology, (i) to use the Cytometrix(TM) Hepatotoxicity Module, and any Improvements (to the extent such Improvements are in the Field, owned by CK, and in existence as of the first day of the Full License Term), for its own internal research and development program at any and all AZ Facilities, (ii) to make and distribute a reasonable number of copies of the Cytometrix(TM) Hepatotoxicity Module, including a reasonable number of backup copies thereof in connection with the exercise of the rights set forth in clause (i) above, and (iii) to create derivative works of the Cytometrix(TM) Hepatotoxicity Module only for the purpose of maintaining and supporting AZ's authorized use thereof and to the extent those derivative works are within the scope of the Deliverables described in EXHIBIT 1.23 and of the following activities: refining the model by including extra compounds, modifying existing assays, and incorporating additional assays

(the foregoing licenses in clauses (i) through (iii) above together are the "FULL LICENSE"). To the extent that a software component of the Cytometrix(TM) Hepatotoxicity Module is delivered in object code form, the license granted extends only to the object code form and not the source code form of that software, and AZ shall not, or permit any Third Party to, reverse engineer or decompile, or otherwise attempt to derive source code from that software component.

5.7.2 RECORDS. AZ shall maintain records regarding the use of the Cytometrix(TM) Hepatotoxicity Module, and upon reasonable advance written notice and during regular business hours, AZ shall permit CK or its authorized designee to access AZ Facilities, and to review required documentation to determine compliance with the terms of this license.

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5.8 NO IMPLIED LICENSES. Each Party acknowledges that the rights and licenses granted under this Article V are limited to the scope expressly granted herein, and all rights not so granted are hereby expressly reserved. Nothing in this Agreement shall limit in any respect the right of either Party to use its own Technology to conduct research and development with respect to and commercialize products or technologies outside the Field. Consistent with the foregoing, it is understood that licenses to Collaboration Technology and licenses to Collaboration Knowledge do not include or incorporate any right or license to CK Background Technology; exploitation of Collaboration Technology or Collaboration Knowledge may require a license to the underlying subject matter. It is further understood that licenses to Collaboration Technology and licenses to Collaboration Knowledge do not extend to the Cytometrix(TM) Hepatotoxicity Module; exploitation of Collaboration Technology or Collaboration Knowledge that is not independent of the Cytometrix(TM) Hepatotoxicity Module may require a separate license to such Cytometrix(TM) Hepatotoxicity Module for use thereof.

ARTICLE VI - PAYMENTS

6.1 RESEARCH PROGRAM FUNDING.

6.1.1 FTE FUNDING. Each Party shall assume responsibility for its own costs and expenses for its conduct of activities under the Research Program with the sole exception that AZ shall fund, quarterly in advance, during the Research Term (whether or not the Pilot License Term has begun), [*] ([*]) of the [*] ([*]) FTEs to be committed by CK for the performance of the Research Program, at the FTE rate set forth below. In total, subject to any Additional Items, the annual FTE funding to be provided by AZ to CK under this Section 6.1.1 shall not exceed US$[*], unless otherwise separately agreed by the Parties in writing.

6.1.2 The FTE rate is [*] dollars (US$[*]) per year, which includes all employee-related compensation, including salaries, wages, bonuses, benefits, profit sharing, stock option grants, and FICA costs, travel, meals and entertainment (except in connection with reimbursed travel described below), training, recruiting, relocation, operating supplies, postage, communications expense, professional dues, depreciation, repairs and maintenance, rent and lease, utilities, taxes, facilities and space costs, and computer service charges. The FTE rate excludes the cost of items identified as Additional Items as described in Section 6.1.2. AZ shall have no obligation to fund FTEs after the Research Term. During the Pilot License Term, the direct out-of-pocket expenses of travel and lodging incurred by CK personnel while required to be on site pursuant to the Research Program will be reimbursed by AZ to CK; provided that the CK employees are away from the facility at which those personnel typically work and the duration of the trip is for an extended period of time

(i.e., more than three (3) working days). AZ shall reimburse CK for such direct out-of-pocket expenses incurred by CK that are within the AZ travel guidelines within sixty (60) days after receipt by AZ of a correct invoice with supporting documentation from CK that identifies the name of the employee, the date of the trip(s) taken and the total dollar amount incurred with sufficient detail to determine amounts incurred for transportation, meals, lodging, and related incidentals.

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6.1.3 ADDITIONAL EXPENSES. From time to time, the JRC may identify additional items or subject matter required to carry out the Research Program, including additional licenses under Intellectual Property Rights of Third Parties, extraordinary equipment or specialized reagents or any other external costs (each such item an "ADDITIONAL ITEM"). In each instance, the JRC will apportion the cost of Additional Items according to the following principles: (i) if the Additional Item will be consumed fully during the Research Term and will be used only for work in the Field, the expense will be borne equally by CK and AZ; (ii) if the Additional Item will not be fully consumed during the Research Term, or will be used during the Research Term outside the Field by either CK or AZ, the expense will be apportioned between CK and AZ in a manner that equitably reflects the relative value to the Research Program of such Additional Item and for applications outside of the Research Program for the Party(ies) that will have rights thereto. For clarity, neither Party shall have any obligation to reimburse the other Party with respect to amounts incurred by the other Party with respect to any Additional Item, except as agreed by the JRC. Unless otherwise mutually agreed, during the Research Program, CK shall be the contracting Party with respect to any such Additional Items and shall directly pay for any such Additional Items. If there are cost apportionment concerns regarding Additional Items during the Pilot Program, responsibility for such costs shall be resolved by the JRC. All equipment acquired during the Pilot Phase at the AZ facility shall become the property of AZ.

6.2 MILESTONE PAYMENT. Upon completion of the Research Program, after CK has delivered to AZ the items required to be provided under the Research Plan, and upon the Cytometrix(TM) Hepatotoxicity Module, as installed at the AZ Facility, meeting the Performance Criteria (as determined pursuant to Section 3.4), a milestone payment of [*] USD dollars (US$[*]) ("MILESTONE PAYMENT") will become due and payable. AZ shall pay the Milestone Payment within thirty (30) days following receipt of an invoice from CK, generated in accordance with the foregoing.

6.3 LICENSE RENEWAL FEES.

6.3.1 On each of the first five (5) annual year anniversaries of the date on which the Full License is first effective, AZ shall pay to CK an annual license renewal fee of [*] dollars (US$[*]) ("ANNUAL LICENSE RENEWAL FEE") for continuance of the Full License, within thirty (30) days after CK's invoice. On each of the sixth (6th) through tenth (10th) annual year anniversaries of the date on which the Full License is first effective, AZ has the option to (i) pay to CK the annual license renewal fee of [*] dollars (US$[*]) for continuance of the Full License, within thirty (30) days after CK's invoice or the end of a Contract Year, or (ii) cease payments and terminate the Full License. Upon either (i) a CK Change of Control event that arises due to CK's merger with, acquisition by, or other similar transaction with a pharmaceutical company with annual sales in excess of US$1 billion that occurs at any time during the Full License, or (ii) payment of the tenth (10th) such annual license renewal fee in accordance with this Agreement, the Full License granted to AZ pursuant to Section 5.7 shall become fully paid up and perpetual.

6.3.2 To the extent CK licenses the use of the Cytometrix(TM) Hepatotoxicity Module to any Third Party for an amount that is less than the amount owed by AZ under Section

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6.3.1, AZ's obligation to pay to CK an Annual License Renewal Fee of US$[*] shall be reduced to the equivalent or less than the lowest amount that such Third Party is obligated to pay.

6.4 TAXES. CK will be responsible for paying any and all taxes and assessments relating to any income or other consideration that CK derives from this Agreement. All payments made by AZ to CK under this Agreement shall be made without any deduction or withholding for or on account of any taxes. Withholding taxes, if any, must be paid by AZ to the relevant taxing authority on behalf of CK.

6.5 TOTAL OBLIGATION. The Annual License Renewal Fees and the Milestone Payment payable by AZ to CK pursuant to this Agreement, taken together with the funding to be provided by AZ to CK and other amounts payable pursuant to this Article 6, represent all of AZ's financial obligations to CK hereunder. CK shall not be entitled to any additional compensation or remuneration from AZ under this Agreement. The foregoing will not be construed as a limit on fees due for termination, damages for breach, or obligations of indemnity.

ARTICLE VII - CONFIDENTIALITY

7.1 CONFIDENTIAL INFORMATION. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing, the Parties agree that, for ten (10) years after the expiration of the Research Term, the receiving Party shall keep confidential and shall not publish or otherwise disclose or use for any purpose other than as provided for in this Agreement any Confidential Information of the other Party. "CONFIDENTIAL INFORMATION" means (i) any prototypes provided by CK under this Agreement or in connection with the Research Program; (ii) information disclosed in tangible form that is marked "confidential" or with other similar designation to indicate its confidential or proprietary nature; and (iii) information disclosed orally, where such information is either (A) of the type usually considered confidential or proprietary in the biopharmaceutical industry or (B) otherwise indicated to be confidential or proprietary by the disclosing Party at the time of the initial disclosure thereof and confirmed in writing as confidential or proprietary by the disclosing Party within thirty (30) days after such disclosure. Notwithstanding the foregoing, Confidential Information shall not include information that, in each case as demonstrated by written documentation:

(a) was already or becomes lawfully known to the receiving Party, other than under an obligation of confidentiality, at the time of disclosure;

(b) can be demonstrated by documentation or other competent proof to have been in the receiving Party's or its Affiliates' possession prior to disclosure by the disclosing Party;

(c) is subsequently received by the receiving Party or its Affiliates from a Third Party who is not bound by any obligation of confidentiality with respect to that information;

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(d) is generally made available to Third Parties by the disclosing Party without restriction on disclosure;

(e) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the receiving Party or 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; or

(f) was developed by the receiving Party without reference to any information or materials disclosed or provided by the disclosing Party.

7.2 PERMITTED DISCLOSURES. Notwithstanding Section 7.1 above, each Party may disclose Confidential Information of the other Party as follows:

(a) to Third Parties (and to Affiliates) under appropriate terms and conditions including confidentiality provisions substantially equivalent to those in this Agreement in connection with obtaining financing and other business activities, such Confidential Information permitted under this subsection to be disclosed shall be limited to general descriptions of the activities, technology and findings under this Agreement (including associations), and shall exclude hepatotoxicity profiles, other than toxicophoric centers, associated with chemotypes;

(b) as is reasonably necessary to exercise the rights and licenses granted or reserved herein (including the right to grant sublicenses);

(c) to the extent such disclosure is reasonably necessary in filing for, registering or maintaining Intellectual Property Rights in accordance with Section 5.1;

(d) as required by law or regulation (including applicable securities regulations); provided, however, that if a Party is required by law or regulation to make any such disclosure of the other Party's Confidential Information it will, except where impracticable for necessary disclosures, give reasonable advance notice to the other Party of such disclosure requirement will use its reasonable efforts to secure confidential treatment of such Confidential Information required to be disclosed; or

(e) to the extent mutually agreed to by the Parties.

7.3 RESTRICTIONS ON DISCLOSURE OF DATA SETS. Notwithstanding anything to the contrary in this Agreement, AZ agrees that it shall treat as CK's Confidential Information data sets generated by AZ using the CK Compounds. Likewise, CK agrees that it shall treat as AZ's Confidential Information data sets generated by CK using the AZ Compounds. However, CK may disclose those data sets to CK collaborator(s) under appropriate obligations of confidentiality no less protective than those for CK's own information. In addition, either Party may use and disclose such data sets without restriction (a) as aggregated information and data sets, whether about the proprietary or public AZ Compounds or CK Compounds, as applicable for purposes of describing the utility of the Cytometrix(TM) Hepatotoxicity Module and the general

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nature of the activities under this Agreement; and (b) individual data sets about public AZ Compounds or CK Compounds, as applicable, in each case so long as that Party does not disclose specific [*], other than [*], that could be associated with specific [*].

7.4 PRESS RELEASE; CONFIDENTIALITY OF TERMS OF AGREEMENT. Neither Party shall disclose to any Third Party the terms of this Agreement without the prior written consent of the other Party, except (a) to advisors and existing and potential investors on a need to know basis under circumstances that reasonably ensure the confidentiality thereof, (b) to Third Parties to the extent necessary to comply with the terms of licenses from Third Parties with respect to a Party's Confidential Information, (c) to the extent required by law or a court or other governmental body; provided that in such situation the Party wishing to disclose the terms gives reasonable advance written notice to the non-disclosing Party of the proposed disclosure and the reason for such disclosure and uses reasonable efforts to secure confidential treatment of such disclosed information. Notwithstanding the foregoing, following the Effective Date, the Parties shall issue a press release, substantially in the form of EXHIBIT 7.4, to announce the execution of this Agreement, together with a corresponding Question & Answer outline for use that has been approved in advance by both Parties for the purpose of responding to inquiries about the Agreement; thereafter, each of AZ and CK may each disclose to Third Parties the information contained in such press release and Question & Answer outline without the need for further approval by the other. In addition, with the advance review and prior written approval of the other Party in each instance, each Party is authorized to issue additional press releases when amounts such as milestone payments or licensing fees become due under this Agreement.

7.5 PUBLICATION. Each Party acknowledges the other Party's interest in publishing the results of the Research Program, obtaining valid patent protection, and protecting business interests and trade secrets. Consequently, if (i) CK, its employees, agents or consultants wish to make a publication related to the CK Compounds or the AZ Compounds (it is understood that CK will not disclose the identity of the AZ Compounds or other Confidential Information of AZ without AZ's prior written consent), or (ii) AZ, its employees, agents or consultants wish to make a publication regarding the use of the Cytometrix(TM) Hepatotoxicity Module or CM System in any manner, with or without the CK Compounds (it is understood that AZ will not disclose Confidential Information of CK without CK's prior written consent), in each case, such Party shall deliver to the other Party a copy of the proposed written publication or an outline of an oral disclosure at least thirty (30) days prior to submission for publication or presentation. The reviewing Party may (a) propose modifications to the publication for patent reasons or business reasons, (b) delete any trade secrets or Confidential Information of such Party included in that publication, or (c) request a reasonable delay in publication or presentation to protect know-how and patentable subject matter. Once a particular public disclosure has been approved, either Party may disclose the information contained therein in subsequent disclosures.

7.6 OUTSOURCING OF IT TECHNOLOGY SERVICES.

7.6.1 RIGHT TO OUTSOURCE. Without limiting the foregoing confidentiality provisions, during the Pilot License Term and the Full License Term, AZ shall have the right to appoint a Third Party ("OUTSOURCER") to provide information technology "outsourcing" services

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to AZ and its Affiliates that relates to the subject matter of this Agreement ("OUTSOURCE SERVICES") for the purposes of enabling AZ to perform under the Agreement or enabling AZ to use Technology and or information licensed under this Agreement, only on behalf of AZ and for the purposes permitted under this Agreement. Outsource Services include loading any software licensed under the Agreement onto equipment owned or controlled by the Outsourcer, located either at the AZ Facility, an Outsourcer's premises or at the CK Facility. In connection with an Outsourcer providing Outsource Services, CK shall permit the Outsourcer to access, operate and use such software on its equipment in its performance of the Outsource Services, and shall otherwise permit the Outsourcer, in its performance of the Outsource Services, to do anything that AZ or its Affiliates are not precluded from doing under the Agreement that are reasonably connected to the Outsource Services, such as accessing, operating and using items supplied or licensed under the Agreement, and receiving and using services provided under the Agreement.

7.6.2 COOPERATION WITH OUTSOURCER. AZ shall provide to CK a copy of its agreement with any Outsourcer, to the extent relevant to either Party's activities, rights or obligations under this Agreement. CK shall reasonably cooperate with any authorized Outsourcer in the Outsourcer's performance of the Outsource Services. In order to provide Outsource Services to AZ under this Agreement, it may be necessary for Outsourcer to have access to CK Confidential Information. Outsourcer shall be bound by terms of confidentiality no less restrictive than those contained in this Agreement as applied to AZ.

ARTICLE VIII - TERM AND TERMINATION

8.1 TERM; EXPIRATION. This Agreement will commence upon the Effective Date and unless terminated as provided in this Article VIII shall continue in full force and effect until twelve (12) months following payment by AZ of the tenth (10th) Annual License Renewal Fee pursuant to Section 6.3.

8.2 EARLY TERMINATION.

8.2.1 MATERIAL BREACH. At any time during the Term, if a Party materially breaches this Agreement and does not cure that material breach within thirty (30) days after written notice from the non-breaching Party, then upon further written notice the non-breaching Party may terminate this Agreement. If within thirty (30) days following notice of breach from the non-breaching Party, the Party allegedly in breach initiates a dispute resolution procedure in good faith and as permitted under this Agreement for resolution of the dispute for which termination is being sought and is diligently pursuing such procedure (including any litigation or arbitration following therefrom), then termination is effective only if at the conclusion of the dispute resolution procedure, the initiating Party notifies the other Party in writing that the termination shall take effect. The non-breaching Party may, however, withhold or suspend performance of its obligations during the pendency of such dispute resolution procedure, without being considered to be in breach of its obligations hereunder, and without liability for having so withheld or suspended performance. Notwithstanding anything to the contrary in this Section 8.2.1, however, if the breach is a failure to pay amounts due under Sections 6.2 or 6.3, then the licenses granted to AZ by CK shall not continue during pendency of the dispute.

8.2.2 [INTENTIONALLY LEFT BLANK.]

8.2.3 MUTUALLY FOR LACK OF FEASIBILITY. If the Parties mutually determine that installing and implementing the Cytometrix(TM) Hepatotoxicity Module in a manner that meets the Performance Criteria is not scientifically or commercially feasible, or if the Parties mutually determine, after installing the Cytometrix(TM) Hepatotoxicity Module at the AZ Facility, that it has

material deficiencies that cannot reasonably be remedied, then by mutual written agreement the Parties may terminate this Agreement.

8.2.4 BY AZ FOR ITS CONVENIENCE DURING LATER FULL LICENSE TERM. During the sixth (6th) through tenth (10th) years of the Full License Term and not before, and provided that AZ is in compliance with its obligations under this Agreement and has paid all amounts previously due, for any reason or no reason, AZ may terminate this Agreement by providing written notice of non-renewal at least thirty (30) days prior to the date on which the annual renewal license fee would be due.

8.2.5 BY AZ FOR ITS CONVENIENCE PRIOR TO SIXTH YEAR OF THE FULL LICENSE TERM. At any time after the Research Term and prior to the sixth year of the Full License Term, for any reason or for no reason, AZ may terminate this Agreement by providing written notice at least ninety (90) days prior to such termination.

8.2.6 BY EITHER PARTY FOR INSOLVENCY. At any time during the Term, if either Party is subject to an Insolvency Event (defined below), then the other Party may terminate this Agreement upon thirty (30) days prior written notice to the other Party. For purposes of the foregoing, an "Insolvency Event" is any of the following: (i) making a general assignment for the benefit of creditors; (ii) filing an insolvency petition in bankruptcy (other than a petition for reorganization); (iii) petitioning for or acquiesces in the appointment of any receiver, trustee or similar officer to liquidate or conserve its business or any substantial part of its assets; (iv) commencing under the laws of any jurisdiction any proceeding involving its dissolution or liquidation or any other similar proceeding; (v) ceasing to carry on the whole or substantially the whole of its business or that part of its business to which this Agreement relates; or (vi) becoming a party to any proceeding or action of the type described above in (iii) or (iv) and such proceeding or action remains undismissed or unstayed for a period of sixty (60) days.

8.3 CONSEQUENCES OF EXPIRATION OR TERMINATION.

8.3.1 SURVIVAL. In all events of expiration or termination the provisions of Articles I (Definitions), VII (Confidentiality), and X (Miscellaneous), and Sections 2.8(Information and Reports), 4.2 (Permitted Activities), 5.1 (Ownership) (including 5.1.4 (License to AZ Improvements), 5.4 (Knowledge Licenses), 5.7.2 (Record Keeping), 5.8 (No Implied Licenses), 6.4 (Taxes), 8.3 (Consequences of Expiration or Termination), 9.2 (Warranty Disclaimer) and 9.3 (No Liability) shall survive. In addition, the Full License under Section 5.7 survives in any event if it has become fully paid-up pursuant to the last sentence of Section 6.3 (License Renewal Fee).

8.3.2 OTHER CONSEQUENCES. The following are in addition to any Sections that survive under Section 8.3.1. Sections or rights not noted as surviving terminate on termination of the Agreement. In each case, on termination each Party promptly shall return to the other Party any Technology or Confidential Information of the other Party, except to the extent the licenses granted pursuant to this Agreement to such Technology or Confidential Information survive.

(a) In the event of expiration pursuant to Section 8.1 (Term; Expiration), Section 3.2.6 and Section 3.2.7 (Compounds) survive for the period indicated therein, licenses to Background Technology (Section 5.2) and Compounds and Compound Data (Section 5.3) survive, all licenses to Collaboration Technology under Section 5.5.1 survive, CK may retain the physical AZ Compounds and AZ Compound Data in its possession, and each Party shall retain identical copies of the images and derived data generated during the Research Term.

(b) In the event of termination by AZ under Section 8.2.1

(Material Breach by CK): (i) AZ has no further requirement to pay FTE costs, the Milestone Payment, the Annual License Renewal Fees or any other amounts not already due and owing; (ii) the licenses from CK to AZ for CK Background Technology (Section 5.2) and CK Compounds and CK Compound Data (Section 5.3) survive and AZ may retain the physical CK Compounds and CK Compound Data in its possession; (iii) CK shall return to AZ all AZ Compounds in its possession, and, for avoidance of doubt, AZ has no obligation to provide AZ Compounds under Section 3.2.6; (iv) the license from CK to AZ for Collaboration Technology (under either Section 5.5.1 or Section 5.5.2, as appropriate) survive; (v) where such termination occurs prior to the end of the Pilot License Term, CK will be deemed to have granted a license to the components or portions of the Cytometrix(TM) Hepatotoxicity Module installed at AZ Facilities, on the same terms as Section 5.7, but without payment of further fees; (vi) where such termination occurs during the Full License Term, the license granted to the Cytometrix(TM) Hepatotoxicity Module to AZ continues in accordance with its terms without additional payment of fees; (vii) CK shall deliver to AZ all images and derived data generated during the Research Term in its possession; and (viii) the restriction under the last sentence of Section 5.5.1 no longer applies.

(c) In the event of termination by CK under Section 8.2.1 (Material Breach by AZ): (i) AZ shall pay, in each case to the extent not yet paid, any remaining FTE costs, the Milestone Payment, and the unpaid balance of the first [*] Annual License Renewal Fees; (ii) the licenses from AZ to CK for AZ Background Technology (Section 5.2) and AZ Compounds and AZ Compound Data (Section 5.3) survive and CK may retain the physical AZ Compounds and AZ Compound Data in its possession; (iii) AZ's obligation to provide Proprietary AZ Compounds under Section 3.2.6 and Section 3.2.7 continues for the time indicated, regardless of whether or not the Research Term has been completed; (iv) in the event that such termination occurs prior to the end of the Research Term, AZ's obligations with respect to exclusivity of efforts (Section 4.1) continue for an additional [*] ([*]) month period; and (v) AZ shall deliver to CK all images and derived data generated during the Research Term in its possession.

(d) [INTENTIONALLY LEFT BLANK.]

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

(e) In the event of termination under Section 8.2.3 (Mutually for Lack of Feasibility): (i) AZ shall pay remaining unpaid FTE costs (if any); (ii) the licenses from AZ to CK for AZ Background Technology (Section 5.2), and AZ Compounds and AZ Compound Data (Section 5.3) survive and CK may retain the physical AZ Compounds and AZ Compound Data in its possession; (iii) the license from CK to AZ for Collaboration Technology (under either Section 5.5.1 or Section 5.5.2, as appropriate) survive; (iv) the Cytometrix(TM) Hepatotoxicity Module (including backups thereof) shall be removed from any AZ Facilities in which it has been installed, and all licenses granted to AZ thereunder shall terminate; and (v) each Party shall retain identical copies of the images and derived data generated during the Research Term.

(f) In the event of termination or non-renewal by AZ under Section 8.2.4 (AZ Convenience During Later Full License Term): (i) the license from CK to AZ for Collaboration Technology under Section 5.5.1 survives; (ii) the licenses from AZ to CK for AZ Background Technology (Section 5.2) and AZ Compounds and AZ Compound Data (Section 5.3) survive, and CK may retain the physical AZ Compounds and AZ Compound Data in its possession; and (iii) the Cytometrix(TM) Hepatotoxicity Module (including backups thereof) shall be removed from any AZ Facilities in which it has been installed, and all licenses granted to AZ thereunder shall terminate; and (v) each Party shall retain

identical copies of the images and derived data generated during the Research Term.

(g) In the event of termination or non-renewal by AZ under Section 8.2.5 (AZ Convenience Prior to [*] Year of the Full License Term): (i) AZ shall pay, in each case to the extent not yet paid, any remaining FTE costs, the Milestone Payment, and the unpaid balance of the first [*] Annual License Renewal Fees; (ii) the license from CK to AZ for Collaboration Technology under Section 5.5.1 survives; (iii) the licenses from AZ to CK for AZ Background Technology (Section 5.2) and AZ Compounds and AZ Compound Data (Section 5.3) survive, and CK may retain the physical AZ Compounds and AZ Compound Data in its possession; (iv) AZ's obligation to provide AZ Compounds under Section 3.2.6 continues and Section 3.2.7 survives; (iv) the Cytometrix(TM) Hepatotoxicity Module (including backups thereof) shall be removed from any AZ Facilities in which it has been installed, and all licenses granted to AZ thereunder shall terminate; and (v) each Party shall retain identical copies of the images and derived data generated during the Research Term.

(h) In the event of termination by either Party under Section 8.2.6 (Insolvency): (i) licenses already granted (to and from the insolvent Party) continue in accordance with their terms and subject to payment of related fees; (ii) each Party shall pay for services already provided; and (iii) each Party shall retain identical copies of the images and derived data generated during the Research Term.

8.4 ACCRUED LIABILITY. Termination or expiration of this Agreement for any reason shall not release either Party hereto from any liability that at the time of such termination or expiration has already accrued to the other Party prior to such time including any and all damages arising from any breach hereunder. Such termination or expiration will not relieve a Party from accrued payment obligations or from obligations that are expressly indicated in this Agreement to survive termination or expiration of this Agreement.

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

8.5 TERMINATION NOT SOLE REMEDY. Termination is not the sole remedy under this Agreement and, whether or not termination is effected, all other remedies will remain available except as agreed to otherwise herein.

ARTICLE IX - WARRANTY AND INDEMNIFICATION

9.1 REPRESENTATIONS AND WARRANTIES. Each Party hereby represents and warrants and covenants as follows:

(a) it is duly organized and validly existing under the laws of the jurisdiction of its incorporation and has full corporate power and authority to enter into this Agreement and is in good standing with all relevant governmental authorities;

(b) this Agreement is a legal and valid obligation binding upon such Party and enforceable in accordance with its terms; and accordingly, it has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and the performance of its obligations under this Agreement;

(c) the execution, delivery and performance of the Agreement by such Party does not conflict with any agreement, instrument or understanding, oral or written, to which it is a party or by which it is bound, nor violate any law or regulation of any court, governmental body or administrative or other agency having jurisdiction over it;

(d) it has not, and during the term of the Agreement will not, grant any right to any Third Party relating to its respective Technology in the Field which would conflict with the rights granted to the other Party hereunder;

(e) it has the requisite rights to grants the licenses set forth under this Agreement; and further, to the best of its knowledge, as of the Effective Date there is no pending litigation or claim, and no basis for such claim, challenging its right to grant the rights herein; and

(f) the execution, delivery and performance of this Agreement will not result in a violation of, or be in material conflict with, or constitute a material default, under any agreement in existence as of the Effective Date between CK and Third Parties and that CK is not party to any agreements that limit or in any other way affect or impair AZ's rights or obligations under this Agreement, including but not limited to CK's rights and obligations under that certain agreement between CK and GlaxoSmithKline dated June 20, 2001.

9.2 WARRANTY DISCLAIMER. EXCEPT FOR ANY EXPRESS WARRANTY SET FORTH WITHIN THIS AGREEMENT, ALL COMPOUNDS, THE CM SYSTEM, THE CYTOMETRIX HEPATOTOXICITY MODULE, TECHNOLOGY AND OTHER MATERIALS PROVIDED BY THE PARTIES HEREUNDER ARE PROVIDED "AS IS" AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW THE PARTIES HEREBY DISCLAIM AND EXCLUDE ANY AND ALL REPRESENTATIONS,

WARRANTIES, CONDITIONS OR OTHER TERMS, WHETHER WRITTEN OR ORAL, EXPRESSED OR IMPLIED, INCLUDING ANY REPRESENTATION OR WARRANTY OF QUALITY, PERFORMANCE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE.

9.3 NO LIABILITY WITH RESPECT TO COMPOUNDS AND COMPOUND DATA. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY, OR ANY OF ITS EMPLOYEES OR AGENTS, WHETHER FOR BREACH OF CONTRACT, NEGLIGENCE OR OTHERWISE, WITH REGARD TO THE PROVISION OF COMPOUNDS OR COMPOUND DATA, EXCEPT FOR A BREACH OF ITS OBLIGATIONS TO DELIVER AND LICENSE SUCH COMPOUNDS OR COMPOUND DATA UNDER THIS AGREEMENT IN ACCORDANCE WITH THE TERMS HEREOF.

9.4 INDEMNITY.

9.4.1 INDEMNIFICATION BY CK. In addition to any other remedy available to AZ, CK shall indemnify, defend and hold harmless AZ, its Affiliates and its and their respective agents, employees, officers and directors (the "AZ INDEMNITEES") from and against any and all liability, claims, demands, causes of action, damage, loss, cost or expense (including reasonable attorneys' fees) arising out of Third Party claims or suits to the extent resulting from: (i) CK's performance of, or failure to perform, its obligations under this Agreement; or (ii) breach by CK of any of its representations and warranties under Section 9.1 above, provided, however, that CK's obligations pursuant to this Section 9.4 shall not apply to the extent such claims or suits result from the negligence or willful misconduct of any of the AZ Indemnitees.

9.4.2 INDEMNIFICATION BY AZ. In addition to any other remedy available to CK, AZ shall indemnify, defend and hold harmless CK, its Affiliates and its and their respective agents, employees, officers and directors (the "CK INDEMNITEES") from and against any and all liability, claims, demands, causes of action, damage, loss, cost or expense (including reasonable attorneys' fees) arising out of Third Party claims or suits to the extent resulting from: (i) AZ's performance of, or failure to perform, its obligations under this Agreement; or (ii) breach by AZ of any of its representations and warranties under Section 9.1 above; provided, however, that AZ's obligations pursuant to this Section 9.4 shall not apply to the extent such claims or suits result from the negligence or willful misconduct of any of the CK Indemnitees.

9.4.3 NOTIFICATION OF CLAIM; CONDITIONS TO INDEMNIFICATION OBLIGATIONS.

(a) As a condition to a Party's right to receive indemnification under this Section 9.4, it shall: (i) promptly notify ("CLAIM NOTICE") the other Party as soon as it becomes aware of a claim or suit for which indemnification may be sought pursuant hereto (provided that the failure to give a Claim Notice promptly shall not prejudice the rights of an indemnified Party except to the extent that the failure to give such prompt notice materially prejudices the indemnifying Party; however, in no event shall the indemnifying Party be liable for any loss that results from any delay in providing the Claim Notice); (ii) cooperate with the indemnifying Party in the defense of such claim or suit, at the expense of the indemnifying Party, including

providing reasonable information, including, but not limited to, copies of all papers and official documents received in respect of any such loss; and (iii) if the indemnifying Party confirms in writing to the indemnified Party its intention to defend such claim or suit within ten (10) days of receipt of the Claim Notice, permit the indemnifying Party to control the defense of such claim or suit, including without limitation the right to select defense counsel; provided that if the indemnifying Party fails to (x) provide such confirmation in writing within the ten (10) day period or (y) diligently and reasonably defend such suit or claim at any time, its right to defend the claim or suit shall terminate immediately in the case of (x) and otherwise upon twenty (20) days' written notice to the indemnifying Party without cure and the indemnified Party may assume the defense of such claim or suit at the sole expense of the indemnifying Party and may settle or compromise such claim or suit without the consent of the indemnifying Party. In no event, however, may the indemnifying Party compromise or settle any claim or suit in a manner which admits fault or negligence on the part of any indemnified Party or that otherwise materially affects such indemnified Party's rights or requires any payment by an indemnified Party without the prior written consent of such indemnified Party. Subject as expressly provided above, the indemnifying Party will have no liability under this Section 9.4 with respect to claims or suits settled or compromised (including by admission) without its prior written consent.

(b) Each Claim Notice shall contain a description of the claim and the nature and amount of the loss claimed (to the extent that the nature and amount of such loss is known at such time).

ARTICLE X - MISCELLANEOUS

10.1 GOVERNING LAW. The interpretation and construction of this Agreement and any dispute arising from the performance or breach hereof shall be governed by and construed and enforced in accordance with, the laws of the State of New York, United States of America, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

10.2 DISPUTE RESOLUTION. Prior to initiating any proceeding before a court or arbitrator, or in another tribunal, all outstanding matters arising under this Agreement must be submitted to the JSC for good faith negotiation as described in Section 2.4, and then for resolution pursuant to Section 2.5. Matters not resolved under Section 2.5 will be referred to the Chief Executive Officer for CK, and Executive Vice President, Head of Global Discovery Research for AZ (collectively the "SENIOR MANAGEMENT") for resolution. Any final decision mutually agreed to by Senior Managements of the Parties shall be in writing and shall be conclusive and binding on the Parties. If resolution cannot be reached by the Senior Management within thirty (30) days from the date the matter in dispute is first brought to the attention of the Senior Management, the dispute

is subject to arbitration under Section 10.3.

10.3 ARBITRATION. Except as set forth in Sections 2.4 and 2.5, any dispute arising out of or relating to the negotiation, interpretation, breach or performance of this Agreement shall be settled by binding arbitration in accordance with the rules of arbitration indicated below. The number of arbitrators shall be three (3), of whom each Party shall appoint one (1). The two

arbitrators so appointed will select the third and final arbitrator. The place of arbitration shall be San Francisco, California. The language used in the arbitration proceedings shall be English. The proceedings, including any outcome, shall be confidential. The arbitration shall be governed by the United States Arbitration Act 9 U.S.C. Sections 1-16 to the exclusion of any inconsistent state laws and judgment on the award rendered by the arbitration may be entered by any court having jurisdiction. Nothing in this Article X will preclude either Party from seeking interim or provisional relief from a court of competent jurisdiction, including a temporary restraining order, preliminary injunction or other interim equitable relief, concerning a dispute either prior to or during any arbitration if necessary to protect the interests of such Party or to preserve the status quo pending the arbitration proceeding.

10.4 ASSIGNMENT. This Agreement shall not be assignable by either Party to any Third Party hereto without the written consent of the other Party hereto; except that either Party shall always have the right, without such consent, (a) to perform any or all of its obligations and exercise any or all of its rights under this Agreement through any of its Affiliates, and (b) on written notice to the other Party, assign any or all of its rights and delegate any or all of its obligations hereunder to any of its Affiliates or to any successor in interest (whether by merger, acquisition, asset purchase or otherwise) to all or substantially all of the business to which this Agreement relates. Any permitted successor of a Party or any permitted assignee of all of a Party's rights under this Agreement that has also assumed all of such Party's obligations hereunder in writing shall, upon any such succession or assignment and assumption, be deemed to be a party to this Agreement as though named herein. All validly assigned rights of a Party shall inure to the benefit of and be enforceable by, and all validly delegated obligations of such Party shall be binding on and be enforceable against, the permitted successors and assigns of such Party, provided that such Party, if it survives, shall remain jointly and severally liable for the performance of such delegated obligations under this Agreement. Any attempted assignment or delegation in violation of this Section 10.4 shall be void.

10.5 PERFORMANCE WARRANTY. AZ hereby warrants and guarantees the performance of any and all rights and obligations by its Affiliate(s).

10.6 DEBARMENT. To the extent required by applicable law, neither Party shall use, in any capacity, in connection with the performance of its obligations under this Agreement, any person debarred or subject to debarment or otherwise disqualified or suspended from performing the Research Program or otherwise subject to any restrictions or sanctions by any other governmental or regulatory authority or professional body with respect to the performance of the Research Program. Accordingly, to the extent applicable, a Party shall immediately notify the other Party in writing if any person who is performing under this Agreement is or becomes debarred or if any action, suit, claim, investigation, or other legal or administrative proceeding is pending or, to the best of the Party's knowledge, threatened, that would make any person performing hereunder a person that is debarred or would preclude the Party from performing its obligations under this Agreement.

10.7 FORCE MAJEURE. Except with respect to payment of money, no Party shall be liable to the other for failure or delay in the performance of any of

its obligations under this

Agreement for the time and to the extent such failure or delay is caused by earthquake, riot, civil commotion, war, terrorist acts, strike, flood, or governmental acts or restriction, or other cause that is beyond the reasonable control of the respective Party. The Party affected by such force majeure will provide the other Party with full particulars thereof as soon as it becomes aware of the same (including its best estimate of the likely extent and duration of the interference with its activities), and will use commercially reasonable efforts to overcome the difficulties created thereby and to resume performance of its obligations as soon as practicable. If the performance of any such obligation under this Agreement is delayed owing to such a force majeure for any continuous period of more than one hundred eighty (180) days, the Parties hereto will consult with respect to an equitable solution, including the possibility of the mutual termination of this Agreement.

10.8 NOTICES. All notices, requests and communications hereunder shall be in writing and shall be personally delivered or sent by facsimile or e-mail transmission (receipt confirmed), mailed by registered or certified mail (return receipt requested), postage prepaid, or sent by international express courier service, and shall be deemed to have been properly served to the addressee upon receipt of such written communication, to following addresses of the Parties, or such other address as may be specified in writing to the other Party hereto:

IF TO CK,

ADDRESSED TO: CYTOKINETICS, INC.
280 East Grand Avenue
South San Francisco, CA 94080-4808
Attention: Robert Blum, Senior Vice President, Finance and Corporate Development, and Chief Financial Officer
Telephone: (650) 624-3000
Telecopy: (650) 624-3010
E-mail: rblum@cytokinetics.com

WITH A COPY TO: WILSON SONSINI GOODRICH & ROSATI, PC
650 Page Mill Road
Palo Alto, CA 94304-1050
Attention: Kenneth A. Clark, Esq.
Telephone: 415-493-9300
Telecopy: 415-493-6811
E-mail: kclark@wsgr.com

IF TO AZ,

ADDRESSED TO: ASTRAZENECA AB
R&D Headquarters
S-151 85 Sodertalje, Sweden
Attention: Jan Lundberg

Executive Vice President, Discovery Research
Telephone: [*]
E-mail: [*]

WITH A COPY TO: ASTRAZENECA AB

LEGAL DEPARTMENT
S-151 85 Sodertalje, Sweden
Attention: Johannes Linde
Associate General Counsel
Telephone: [*]
Telecopy: [*]

10.9 WAIVER. Neither Party may waive or release any of its rights or interests in this Agreement except in writing. The failure or either Party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition. No waiver by either Party of any condition or term in any one or more instances shall be construed as a continuing waiver of such condition or term or of another condition or term.

10.10 SEVERABILITY. If any provision hereof should be held invalid, illegal or unenforceable in any jurisdiction, the Parties shall negotiate in good faith a valid, legal and enforceable substitute provision that most nearly reflects the original intent of the Parties and all other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to carry out the intentions of the Parties hereto as nearly as may be possible. Such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of such provision in any other jurisdiction. In the event a Party seeks to avoid a provision of this Agreement by asserting that such provision is invalid, illegal or otherwise unenforceable, the other Party shall have the right to terminate this Agreement upon thirty (30) days' prior written notice to the asserting Party, unless such assertion is eliminated and the effect of such assertion cured within such thirty (30)-day period. Any termination in accordance with the foregoing sentence shall be deemed a termination pursuant to Section 8.2 and the Party who made such assertion shall be deemed the breaching Party.

10.11 DAMAGES EXCLUSION AND LIMITATION. EXCEPT WITH RESPECT TO DAMAGES OR OBLIGATIONS ARISING OUT OF UNAUTHORIZED EXPLOITATION OF THE OTHER PARTY'S INTELLECTUAL PROPERTY RIGHTS OR BREACH OF ARTICLE VII, IN NO EVENT WILL EITHER PARTY OR ANY OF ITS RESPECTIVE AFFILIATES BE LIABLE TO THE OTHER PARTY OR ANY OF ITS AFFILIATES FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, EXEMPLARY, OR PUNITIVE DAMAGES, WHETHER IN CONTRACT, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE OR CLAIMS OF CUSTOMERS OF ANY OF THEM OR OTHER THIRD PARTIES FOR SUCH DAMAGES. The forgoing applies to obligations and damages under Article IX.

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

10.12 ENTIRE AGREEMENT. This Agreement sets forth all the covenants, promises, agreements, warranties, representations, conditions and understandings between the Parties hereto and supersedes and terminates all prior agreements and understanding between the Parties with respect to the subject matter hereof, including that certain Mutual Non-Disclosure Agreement between the Parties dated January 29, 2003 (the "NDA"), as amended on July 9, 2003, and on August 11, 2003. Notwithstanding the foregoing, all information exchanged between the Parties pursuant to the NDA shall be deemed Confidential Information of the Party that disclosed it thereunder and shall be subject to the terms of this Article VII. There are no covenants, promises, agreements, warranties, representations conditions or understandings, either oral or written, between the Parties with respect to the subject matter hereof other than as set forth herein. No subsequent alteration, amendment, change or addition to this Agreement shall be binding upon the Parties hereto unless reduced to writing and signed by the respective authorized officers of the Parties.

10.13 INDEPENDENT CONTRACTORS. Nothing herein shall be construed to create any relationship of employer and employee, agent and principal, partnership or joint venture between the Parties. Each Party is an independent contractor. Neither Party shall assume, either directly or indirectly, any liability of or for the other Party. Neither Party shall have the authority to bind or obligate the other Party and neither Party shall represent that it has such authority.

10.14 HEADINGS. Headings used herein are for convenience only and shall not in any way affect the construction of or be taken into consideration in interpreting this Agreement.

10.15 COUNTERPARTS AND FACSIMILE SIGNATURES. This Agreement may be executed in two counterparts, each of which shall be deemed an original, and all of which together, shall constitute one and the same instrument. This Agreement may be executed as counterparts and the signature page delivered by facsimile. The Parties agree that such execution and facsimile delivery shall have the same force and effect as delivery of an original document with original signatures, and that each Party may use such facsimile signatures as evidence of the execution and delivery of this Agreement by both Parties.

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IN WITNESS WHEREOF, this Agreement is executed by the authorized representatives of the Parties as of the Effective Date.

ASTRAZENECA AB	CYTOKINETICS, INC.
By: _____	By: _____
Name: Jan Lundberg	Name: Robert I. Blum
Title: Executive Vice President, Discovery Research	Title: Senior Vice President, Finance and Corporate Development, and CFO

EXHIBIT 1.3

AZ BACKGROUND TECHNOLOGY

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* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

EXHIBIT 1.4: AZ COMPOUNDS

The heading in each column indicates whether the information in that column should be provided for Public Compounds, Proprietary Compounds, or both. Information identified with *** is to be provided as of the Effective Date.

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(1) Such an identifier must be unique, but need not be the identifier used internally at the providing Party.

(2) If Compound is Proprietary, then in addition to the target class, identify whether the molecular target is the same.

(3) Reported as an EC50.

(4) Reported as a curve, not as an EC50.

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EXHIBIT 1.10

CK BACKGROUND TECHNOLOGY

CK Background Technology comprises the Technology disclosed in the following patents and patent applications.

CASE NO.	APPLN. NO. / (PUB. NO.)	FILING DATE	TITLE / SUBJECT MATTER	STATUS / NOTES
1008	[*]	[*]	[*]	Pending
1008A	[*]	[*]	[*]	Pending
1009	[*]	[*]	[*]	Pending
1009A	[*]	[*]	[*]	[*]
1009B	[*]	[*]	[*]	[*]
1009C	[*]	[*]	[*]	Pending
1009D	[*]	[*]	[*]	[*]

1011	[*]	[*]	[*]	Pending
1011A	[*]	[*]	[*]	[*]
1011B	[*]	[*]	[*]	Pending
1011PCT	[*]	[*]	[*]	[*]
1011EP	[*]	[*]	[*]	Pending
1011.1	[*]	[*]	[*]	Pending
1011.1PCT	[*]	[*]	[*]	[*]
1011.1US	[*]	[*]	[*]	Pending

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CASE NO.	APPLN. NO. / (PUB. NO.)	FILING DATE	TITLE / SUBJECT MATTER	STATUS / NOTES
1011.1EP	[*]	[*]	[*]	Pending
1011.1GB	[*]	[*]	[*]	Pending
1026	[*]	[*]	[*]	Pending
1026PCT	[*]	[*]	[*]	[*]
1027.1	[*]	[*]	[*]	Pending
1027.1PCT	[*]	[*]	[*]	[*]
1027.1EP	[*]	[*]	[*]	Pending
1035.1PCT	[*]	[*]	[*]	[*]
1035.1EP	[*]	[*]	[*]	Pending
1035.1GB	[*]	[*]	[*]	Pending
1036	[*]	[*]	[*]	[*]
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1036A	[*]	[*]	[*]	Pending
1036.1EP	[*]	[*]	[*]	Pending
1036.1GB	[*]	[*]	[*]	Pending
1037	[*]	[*]	[*]	Pending

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1037GB	[*]	[*]	[*]	Pending
1037EP	[*]	[*]	[*]	Pending

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CASE NO.	APPLN. NO. / (PUB. NO.)	FILING DATE	TITLE / SUBJECT MATTER	STATUS / NOTES
1062	[*]	[*]	[*]	Pending
1062PCT	[*]	[*]	[*]	[*]
1064	[*]	[*]	[*]	Pending
1064PCT	[*]	[*]	[*]	[*]
1064EP	[*]	[*]	[*]	Pending
1074	[*]	[*]	[*]	Pending
1131	[*]	[*]	[*]	Pending
1132	[*]	[*]	[*]	Pending
1146	[*]	[*]	[*]	Pending
1146.1	[*]	[*]	[*]	Pending
1170	[*]	[*]	[*]	Pending

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EXHIBIT 1.11

CK COMPOUNDS

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(1) Such an identifier must be unique, but need not be the identifier used internally at the providing Party.

(2) If Compound is Proprietary, then in addition to the target class, identify

whether the molecular target is the same.

(3) Reported as an EC50.

(4) Reported as a curve, not as an EC50.

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EXHIBIT 1.15

CM SYSTEM

The CM System is an automated cell biology platform designed to quantify cellular phenotypes. Cytokinetics has developed the CM System for use across the drug discovery process, including target identification and validation, primary and secondary compound screening, mechanism-of-action studies and compound attrition management.

The components of the current CM System can be broken down as follows:

- Culture and plating of cells
- Automated addition of treatments and stains
- Variable exposure of cells to treatment
- Automated image acquisition
- Cell-by-cell image analysis
- Quantitative cell-by-cell biological analysis
- Statistical analysis to generate compound "fingerprints" and compound classifications

All the experimental data, including images, compound fingerprints and classifications are available for interpretation and decision support.

[CM SYSTEM FLOW DIAGRAM]

CELL CULTURE

A variety of cell lines and primary cell types are used in the CM System. The phenotype of interest is generally dependent on the cell type. By quantitatively comparing the response to a treatment across a variety of cell types, a fuller understanding of the effect of the treatment can be obtained. The cell types

employed in the CM System have been selected for relevance to particular therapeutic problems, for biological diversity, for responsiveness in CM profiling experiments, and for reproducibility.

TREATMENT

The CM System can be used to quantify the effects of chemical compounds, or a variety other treatments, such as antibodies, toxins and transfected siRNAs, on the chosen cell types. The process of defining the CM experiment and the resulting required treatment plate format is handled in the in the CM System LIMS.

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AUTOMATED PLATE PREPARATION

The CM System automation includes the plating of cells, incubation with treatment and staining of the cells. Quantitative reproducibility of assay results requires consistent fluidics. The CM System LIMS include data system interfaces for all fluidics operations.

IMAGING

High-quality imaging provides the primary data for the CM System. Imaging data are automatically stored to computer disk for analysis.

IMAGE ANALYSIS

Proprietary image analysis algorithms are used to segment images into individual cells and organelles. A large number of morphological and intensity-related features are extracted from each image. The CM System uses a scalable distributed computing architecture designed to take advantage of additional networked computers as computation demands increase. All results are stored in the CM System experiment database.

DATA ANALYSIS

CM System data analysis quantifies compound "fingerprints" in three phases:

- sub-cellular measurements
- biological features
- compound fingerprints

The process of generating compound fingerprints uses the image features, such as object area, intensity, shape, texture, etc., and experimental process parameters, e.g. drug, concentration, cell line, time point, etc., to generate so-called biological features. Examples of biological features from Cytokinetics' cell-cycle work include Mitotic Index, G1 phase, S phase, and Golgi apparatus classification. Treatment fingerprints are the CM System representation of the cellular phenotype and are generated from multidimensional analysis of the biological features. Compound groups are assembled when a group of compound phenotypes is compared and compounds with similar fingerprints are assembled.

VISUALIZATION

CM System data can be reviewed at many levels, including visualizing compound fingerprints, reviewing biological analysis and viewing the original experimental images. Various biological reports and analyses are generated allowing access to information and analyses at any of the three levels:

- Compound Fingerprint Analyses

- Standardized and Ad Hoc Biological Reports

- Biological Experimental Data

The highest level is the compound fingerprint analyses, examples of which are Principal Component Analysis (PCA) Plots and Trellis Plots. The former are three-dimensional representations of the higher-dimensional dose-response data, the latter are representations of the fingerprint data at a given dose. Standardized and ad hoc biological reports, include cell-cycle analysis and dose- and time-response curves. Biological experimental data constitute the primary level and include all the data collected during the CM System experiment, such as the treatment name and concentration, cell type, marker, imaging parameters, extracted features, and exposure time.

An exemplary use of the CM System in compound profiling has the following hierarchy of data:

[TYPES OF DATA GENERATED BY THE CM SYSTEM]

FIGURE 1: Types of data generated by the CM System.

EXHIBIT 1.23

DELIVERABLES

This Exhibit 1.23 defines the Deliverables for the Research Program.

CELL CULTURE

The [*] for preparing and handling the [*] used in the CHM will be [*]. Initial implementation will be at [*] on [*]. In accordance with the Research Plan, the [*] will be subsequently [*] at [*] using [*]. The [*] will be [*].

TREATMENT PREPARATION

The CHM [*] and the associated [*] will be [*] for initial implementation at [*] within [*]. Acknowledging that [*] has its own [*] and [*], [*] will provide to [*] of the [*], including the definition of the [*] and the [*] enabling [*] to [*] for use on [*].

AUTOMATED PLATE PREPARATION

The [*] will include [*], [*], and [*]. The [*] for [*] will be [*] and [*]. The [*] will include both [*] and [*] for all necessary [*]. Again, acknowledging that [*] has its own [*] and [*], [*] will provide to [*] on the [*], enabling [*] to [*] for use on [*].

IMAGING

The [*] will be generated at [*] using an [*] or comparable [*] and [*]. The data will be [*] for subsequent [*] and [*]. The [*], [*] and [*] for [*] and [*] to specific locations to support the [*] will be [*], documented [*] for usage on [*] and [*].

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IMAGE ANALYSIS

The parties will develop CHM [*] characterizing [*], [*], [*]. Those [*] will be [*], [*] and [*] at [*] during the [*]. [*] and [*] will be stored in the [*]. [*] will [*] the [*] and [*] and [*] of the [*] as part of the CHM.

DATA ANALYSIS

The parties will [*], [*] and [*] CHM [*] analogous to [*], as appropriate to [*]. [*] will document and provide to [*] for [*] for use at [*] as part of the CHM. [*] will [*] of this [*] on [*] and [*] at [*] on the [*].

VISUALIZATION

The parties will [*] via [*], [*], [*] and [*]. The [*] CHM [*] and [*] will be [*] and [*] to [*] for usage at [*] as part of the CHM. [*] will [*] the [*] of this [*] on [*] and [*] at [*] on [*] as part of the CHM.

OVERALL CHM PROCESS - [*]

In addition, an [*] which [*] the [*], [*] and [*] for [*] and [*] the [*] and to [*] of the [*]) will be [*] and [*] to [*] so that [*] can implement necessary [*] within [*] on [*] a part of the CHM.

INFORMATION EXCHANGE DURING THE RESEARCH TERM

In the course of the [*], a [*] of [*] will need to be [*]. The [*] of the [*], [*], the [*] and of the [*], the [*] and the [*], will be [*] at [*]. [*] will require [*] to the [*].

[*] will be [*] as [*], [*] and [*] for [*] in [*]. The [*] will be

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provided for use with [*]. [*] is responsible for acquiring its own [*].

[*]

[*]

ACCESS TO [*] EMPLOYED DURING THE RESEARCH TERM OF THE COLLABORATION

[*]

[*]

THE CYTOMETRIX(TM) HEPATOTOXICITY MODULE: [*] DELIVERED TO AZ FOR IDENTIFICATION OF HEPATOTOXICITY IN [*] DURING THE [*]

[*] of the [*], [*], [*], [*] and [*] for the overall [*] and the [*] will be delivered to [*] during the [*]. [*] will be [*] on the [*] and [*] of the CHM per the [*].

[*] and [*] with [*] for [*], [*] and [*] will be delivered. The [*] will constitute the [*] of the Cytometrix(TM) Hepatotoxicity Module, from [*] to [*] of a [*]. [*] on the [*] and [*] will be provided.

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THIRD PARTY PRODUCTS INCLUDED IN THE DELIVERABLES

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INFORMATION EXCHANGE

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ALGORITHMS USED AS PART OF THE RESEARCH PLAN

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CYTOMETRIX(TM) HEPATOTOXICITY MODULE

Hardware systems:

All computers are to be Intel(R) Pentium(R) series, operating systems are to be Microsoft(R) Windows(R) 2000 or above.
(Memory, processor requirements TBD)

Applications Software:

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EXHIBIT 1.25

EXEMPT ACTIVITIES

AZ: With respect to AZ, Exempt Activities means the:

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CK: With respect to CK, Exempt Activities means the:

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EXHIBIT 1.36

PERFORMANCE CRITERIA

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EXHIBIT 1.45

RESEARCH PLAN

REVISION HISTORY

[*] Cytokinetics	[*]	First Draft	2 pages
[*] AstraZeneca	[*]	Version 1.0	
[*] AstraZeneca	[*]	Version 1.7	
[*] Cytokinetics	[*]	Version 1.8	
[*] Cytokinetics	[*]	Version 1.9	
[*] Cytokinetics	[*]	Version 2.0	
WSGSR	[*]	Version 2.1	Editing and consistency with main body of Agreement

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TABLE OF CONTENTS

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ARTICLE I INTRODUCTION

1.1 DISCOVERY PROBLEMS

Section 1.01 Candidate Drugs (CDs) that fail to make it to market are both common and expensive. It has been estimated that that less than 10% of CDs result in a marketable product with each late stage failure incurring significant costs. Approximately 50% of these failures can be attributed to toxicological problems. There will be a greater need for early stage profiling in the future as high throughput screening increases the number of active compounds per target. Clearly, improved early stage toxicity profiling will aid the selection of CDs less likely to fail in the development phase and allow a more informed decision about which active compounds should be progressed.

1.2 APPROACH

Section 1.02 [*]

Section 1.03 [*]

Section 1.04 [*]

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1.3 PROJECT AIMS

The project aim is to utilise the expertise and knowledge within both companies to develop a high content biology platform for hepatotoxicity profiling of compounds. At the end of the collaboration the platform would be available for use in both companies in their own R&D programmes.

To share between AZ and CK [*] and AZ proprietary toxicological data.

[*]

ARTICLE II PROJECT ORGANISATION

2.1 ROLES AND RESPONSIBILITIES - TO BE APPOINTED

2.2 MEETINGS PLAN

Weekly telephone conference calls/NetMeeting will be held between AZ & CK scientists to discuss detailed scientific progress and issues.

Monthly video conference calls of project management team

Quarterly visits, alternating between AZ and CK will be held.

All meetings are to be scheduled at the outset of each project phase, agendas to be circulated at least 2 days before weekly meetings, and 1 week before monthly and quarterly.

2.3 COMMUNICATION FORMATS

All documents will follow the defined project format (attach templates) in MS Word for Windows v2000 or MS PowerPoint for Windows v2000. Up to date project plan will be available to all parties in MS Project for Windows v2000. MS Project will be used for GANT charts.

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ARTICLE III RESPECTIVE CONTRIBUTIONS

FTE commitments are man-years for the complete lifetime of the project - nominally [*] months.

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ARTICLE IV PROJECT PLAN

4.1 PROJECT PHASES

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4.2 DELIVERABLES FOR RESEARCH PROGRAM:

The Deliverables for the Research Program are defined in Exhibit 1.23 of the Agreement.

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EXHIBIT 5.6.2

SUPPORT

DURING THE [*] WILL:

- Perform installation of the [*] at [*]. Given prior preparation, by [*], of the required [*] on the [*] at a [*] this effort is estimated to take [*] to complete.

- Supply [*] with a [*] and [*] for its own use in the event of [*] during the [*].

- Train [*] on [*].

- Supply [*] with [*] for the [*] as defined in Deliverables Exhibit 1.23.

- Prepare [*] as necessary and [*] to [*] with [*].

IN THE EVENT OF [*], WHETHER DURING THE [*] OR [*], [*] WILL:

- Expect that [*] will [*] from the [*] and [*] supplied by [*] during the [*] at [*].

- Answer [*] via phone, video conference or email regarding [*] or [*] to [*] of the CHM.

- In the event, that the [*] do not result in a [*] at [*], [*] will on a [*], [*] to the [*] and [*] a [*] of the CHM.

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EXHIBIT 7.4

Contacts:

CYTOKINETICS, INC.
Robert I. Blum
SVP, Finance and Corporate Development, and CFO
(650) 624-3000

BURNS MCCLELLAN, INC.
E. Blair Clark (investors) or Justin Jackson (media)
(212) 213-0006

ASTRAZENECA (MEDIA ENQUIRES)
Steve Brown, +44 (0) 207 304 5033
Scott Young, +1.781.839.4589
Kellie Rivest, +1.781.839.4151

FOR IMMEDIATE RELEASE

CYTOKINETICS AND ASTRAZENECA ANNOUNCE TECHNOLOGY DEVELOPMENT COLLABORATION FOCUSED ON PREDICTIVE TOXICITY

ALLIANCE LEVERAGES CYTOMETRIX(TM) CELLULAR PHENOTYPING TECHNOLOGIES

SOUTH SAN FRANCISCO, CA AND LONDON, UK, DEC. 18, 2003 - Cytokinetics, Inc., and AstraZeneca Pharmaceuticals announced today that the two companies have entered into an exclusive collaboration to develop automated imaging-based cellular phenotyping and analysis technologies for the in vitro prediction of hepatotoxicity. The companies have agreed to commit internal resources and combine efforts aimed at addressing an important inflection point in the pharmaceutical discovery and development process. Under the terms of the agreement, AstraZeneca will fund technology development activities at Cytokinetics over a two-year research term. The agreement further provides for a milestone payment and annual licensing fees to be paid to Cytokinetics upon the Cytometrix(TM) Hepatotoxicity Module successfully achieving certain agreed upon performance criteria.

"Under this collaboration, we have the potential to develop new technologies that may systematically and reliably predict toxic and non-toxic pharmacophores," stated Jay Trautman, Ph.D., Cytokinetics' Vice President of Technology. "AstraZeneca has decades of molecular toxicology and pathology experience. By combining this expertise with Cytokinetics' validated cellular phenotyping technologies, we have an opportunity to together bring forward an application module of the Cytometrix(TM) technologies that may deliver productivity gains for each of our later stage discovery and pre-clinical development processes."

AstraZeneca's Vice President and Global Head of Safety Assessment, Peter Moldeus, Ph.D., stated, "Complications associated with toxicity are a major challenge for the pharmaceutical industry, as these toxicities often result in a project's failure after substantial investments have already been made. Diminishing the risks associated with toxicity by identifying a compound's

off-target liabilities earlier could significantly increase our development success. We believe that Cytokinetics' Cytometrix(TM) cellular phenotyping technologies have potential to help AstraZeneca remain at the forefront of research in this area."

CYTOMETRIX(TM) TECHNOLOGIES

The collaboration will leverage Cytokinetics' proprietary platform, Cytometrix(TM) cellular phenotyping technologies, which are routinely utilized in Cytokinetics' screening processes to analyze both on-target and off-target effects of candidate compounds. Cytometrix(TM) cellular phenotyping technologies utilize cell-based assays to create digital phenotypic profiles ("fingerprints") representative of diverse molecular mechanisms of drug action. Cytometrix(TM) fingerprints detail information on the potency and specificity of a compound or drug-related toxicities. Cytokinetics presently employs Cytometrix(TM) cellular phenotyping technologies to eliminate compounds of mixed mechanism, allowing the company to focus its medicinal chemistry and pharmacology resources more selectively on higher quality chemical series. This collaboration with AstraZeneca is designed to develop a new Cytometrix(TM) technologies application called the Cytometrix(TM) Hepatotoxicity Module for the in vitro prediction of hepatotoxicities downstream of screening.

- more -

ABOUT CYTOKINETICS

Founded in 1998 and privately held, Cytokinetics is dedicated to the discovery, development and commercialization of a novel class of therapeutics resulting from its leadership position in the emerging field of cytoskeletal pharmacology. The cytoskeleton is a complex, dynamic framework that impacts all aspects of cell function including cell division, cell motility, intracellular transport, muscle contractility and regulation of cellular organization. Cytokinetics' R&D efforts aim to address pharmaceutical needs in cancer, cardiovascular and infectious diseases and feature proprietary Cytometrix(TM) cellular phenotyping technologies designed to industrialize cell biology for increased speed and productivity in drug discovery and development. Cytokinetics and GlaxoSmithKline have entered into a broad strategic collaboration to discover, develop and commercialize novel small molecule therapeutics targeting mitotic kinesins for applications in the treatment of cancer and other diseases. Cytokinetics and GlaxoSmithKline are conducting Phase I studies with the first novel anti-cancer drug candidate emerging from the collaboration and intend to expand clinical development upon completion of these studies. Additional information about Cytokinetics can be obtained at www.cytokinetics.com.

ABOUT ASTRAZENECA

AstraZeneca is a major international healthcare business engaged in the research, development, manufacture and marketing of prescription pharmaceuticals and the supply of healthcare services. It is one of the top five pharmaceutical companies in the world with healthcare sales of over $17.8 billion and leading positions in sales of gastrointestinal, oncology, cardiovascular, neuroscience and respiratory products. AstraZeneca is listed in the Dow Jones Sustainability Index (Global and European) as well as the FTSE4Good Index. Worldwide, AstraZeneca has six major research and development sites and four discovery sites employing more then 11,000 people in six countries including Canada, France, India, Sweden, United Kingdom and the United States. For more information, please visit www.astrazeneca.com/research.

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EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in this Amendment No. 4 to Registration Statement on Form S-1 of our report dated March 10, 2004, except for Note 13 as to which the date is April 26, 2004, relating to the financial statements and our report dated March 10, 2004 relating to the financial statement schedule of Cytokinetics, Incorporated, which appear in such Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

San Jose, California
April 26, 2004