

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 23, 2025

INCYTE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-12400
(Commission File Number)

94-3136539
(I.R.S. Employer
Identification No.)

**1801 Augustine Cut-Off
Wilmington, DE**
(Address of principal executive offices)

19803
(Zip Code)

(302) 498-6700
(Registrant's telephone number,
including area code)

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240-13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$.001 par value per share	INCY	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

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

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Retirement of President and Chief Executive Officer

On June 26, 2025, Incyte Corporation (the “Company”) announced that Hervé Hoppenot retired as President and Chief Executive Officer of the Company effective June 26, 2025. Mr. Hoppenot will continue to serve as a member of the Company’s Board of Directors (the “Board”). Julian C. Baker, Lead Independent Director of the Board, assumed the role of Chairman of the Board effective June 26, 2025.

In connection with his retirement, the Company and Mr. Hoppenot entered into a transition agreement (the “Transition Agreement”), dated as of June 26, 2025 (the “Effective Date”), pursuant to which Mr. Hoppenot will serve as special advisor to the Company’s Chief Executive Officer and will provide advice and counsel in connection with the Chief Executive Officer transition as may be reasonably requested by the Chief Executive Officer or the Board. The term of Mr. Hoppenot’s employment will continue until the first anniversary of the Effective Date or such earlier date as either the Company or Mr. Hoppenot may determine (the “Transition Completion Date”). For a one year period following the Transition Completion Date, Mr. Hoppenot will serve as a non-employee consultant to assist the Company in transitional matters. Pursuant to the Transition Agreement, the Company will compensate Mr. Hoppenot for his services for the first six months commencing on the Effective Date at his current annual base salary rate of \$1,395,731 (the “Annual Base Salary Rate”) and for the following six months at 50% of the Annual Base Salary Rate. In addition, the Company will pay Mr. Hoppenot a prorated portion of the bonus to which he would have been entitled under the Company’s 2025 Incentive Compensation Plan. Mr. Hoppenot will also receive (i) time-based restricted stock units (“RSUs”) for 6,016 shares of the Company’s common stock (“Common Stock”), which will vest as to 25% of the shares subject to the RSUs on each of the first four anniversaries of the grant date, (ii) options to purchase 18,438 shares of Common Stock, which will vest over four years, with 25% vesting on the first anniversary of the grant date and the remaining options vesting in equal monthly installments over the subsequent 36 months, and (iii) performance shares with a target number of shares of Common Stock of 18,050, which cliff vest on the third anniversary of the grant date. The performance shares will be subject to the same performance goals as those to be issued to the Company’s executive officers in connection with the Company’s 2025 annual equity award grants, and can be earned at 0-200% of target based on the Company’s relative total share return (“TSR”) performance over a three-year performance period beginning on January 1, 2025 as compared to the TSR of companies in the same fixed peer group that will be used for the Company’s 2025 annual performance share awards to its executive officers. The Transition Agreement further provides that, in addition to Mr. Hoppenot’s equity awards that were granted after July 15, 2019 through December 31, 2024 that were covered by his employment agreement with the Company, his equity awards granted after January 1, 2025 and through and including the Effective Date (including the awards described in this paragraph) will continue to vest, become exercisable and payable after the Transition Completion Date at the same times and under the same conditions as if Mr. Hoppenot continued to be employed by the Company following the Transition Completion Date provided that Mr. Hoppenot’s continues to comply with certain covenants contained in the Transition Agreement. The Transition Agreement also confirms that upon a Change in Control (as defined in the Transition Agreement), Mr. Hoppenot will continue be entitled to receive the compensation and benefits set forth in the Transition Agreement.

The foregoing description of the Transition Agreement is only a summary and is qualified in its entirety by the terms of the Transition Agreement, a copy of which is filed herewith as Exhibit 10.1.

Appointment of President and Chief Executive Officer

On June 26, 2025, the Company announced that it has appointed William J. Meury as President and Chief Executive Officer, effective June 26, 2025. Mr. Meury has also been appointed to the Board effective June 26, 2025.

Biographical Information. Mr. Meury, age 57, served as President and Chief Executive Officer of Anthos Therapeutics, Inc., a privately-held biopharmaceutical company, from April 2024 until its acquisition by Novartis in April 2025. From January 2023 through March 2024, Mr. Meury served as President and Chief Executive Officer of Karuna Therapeutics, Inc., a publicly traded biopharmaceutical company that was acquired by Bristol-Myers Squibb Company. From May 2020 through December 2022, Mr. Meury served as a Partner at Hildred Capital Management, a private equity firm focusing on the healthcare industry. Prior to joining Hildred Capital Management, Mr. Meury served as the Chief Commercial Officer of Allergan plc, a global pharmaceutical company, from May 2016 through its acquisition by AbbVie Inc. in May 2020. Mr. Meury previously served as Allergan's President, Branded Pharma from March 2015 to May 2016 and joined Allergan in July 2014 as Executive Vice President, Commercial, North American Brands. He has significant experience in launching and commercializing healthcare products. Prior to joining Allergan, Mr. Meury served as Executive Vice President, Sales and Marketing at Forest Laboratories, Inc., a specialty pharmaceutical company that was acquired by Actavis plc in July 2014. He joined Forest in 1993 and held multiple roles of increasing responsibility in marketing, new products, business development, and sales. Before joining Forest, Mr. Meury worked in public accounting for Reznick, Fedder & Silverman and in financial reporting for MCI Communications, Inc. Mr. Meury earned his B.A. in Economics from the University of Maryland.

Compensation Arrangements. In connection with his appointment as President and Chief Executive Officer, Mr. Meury and the Company entered into an offer of employment letter (the "Offer Letter") dated as of June 23, 2025 and an Employment Agreement (the "Employment Agreement") dated as of June 26, 2025.

Pursuant to the Offer Letter, upon commencement of employment Mr. Meury is entitled to an initial annual base salary of \$1,250,000 and will participate in the Company's annual Incentive Compensation Plan with a funding target for a cash bonus under such Plan of 100% of his annual base salary, and with such bonus to be pro-rated for 2025. Beginning in 2026, Mr. Meury's base salary will be reviewed annually by the Compensation Committee of the Board. Future bonuses under the annual Incentive Compensation Plan will be determined by the Compensation Committee in its discretion based on the achievement of performance goals to be determined annually by the Board. In addition, the Offer Letter provides for grants to Mr. Meury of the following equity awards: (i) a regular annual equity award of time-based RSUs for 36,101 shares of Common Stock, which will vest as to 25% of the shares subject to the RSUs on each of the first four anniversaries of the grant date (the "Sign-on RSU Award"), (ii) a regular annual equity award of options to purchase 110,630 shares of Common Stock, which will vest over four years, with 25% vesting on the first anniversary of the grant date and the remaining options vesting in equal monthly installments over the subsequent 36 months, (iii) a regular annual equity award of performance shares for a target number of shares of Common Stock of 108,303, which cliff vest on the third anniversary of the grant date, will be subject to the same terms as those to be issued to the Company's other executive officers in mid-July 2025 in connection with the Company's annual equity award grants, and can be earned at 0-200% of target based on the Company's relative TSR performance over a three-year performance period beginning on January 1, 2025 as compared to the TSR of companies in the same fixed peer group that will be used for the Company's July 2025 annual performance share awards to its other executive officers, and (iv) a one-time sign-on award of performance shares for a target number of 125,000 shares of Common Stock, which can be earned at 0-400% of target based on actual stock price performance and which are subject to service and performance vesting conditions, with service vesting on the later of the first anniversary of the grant date and the achievement of the applicable stock price hurdle, and performance vesting conditions that can be earned on achievement of significant sustained stock price appreciation hurdles over a six-year period (and which settle on an extended basis via the issuance of Common Stock after the vesting of the performance shares and between the third and sixth anniversaries of the hiring date, as applicable) (the "Sign-On PSU Award"). Mr. Meury will also receive certain relocation and commuting benefits.

The Employment Agreement provides for certain payments and benefits in the event of termination of Meury's employment with the Company as follows (capitalized terms not defined in this Report have the meanings ascribed to them in the Employment Agreement, a copy of which has been filed as Exhibit 10.3 to this Report):

If Mr. Meury voluntarily terminates his employment with the Company other than for Good Reason and other than in the 24-month period following a Change in Control (the "Change in Control Employment Period"), the Company will pay Mr. Meury, to the extent not already paid, his annual base salary through the date of termination, any deferred compensation and any accrued vacation pay.

If Mr. Meury voluntarily terminates his employment with the Company without Change in Control Good Reason in the Change in Control Employment Period, the Company will pay Mr. Meury, to the extent not already paid, his annual base salary through the date of termination, any deferred compensation, any accrued vacation pay, and an amount equal to a pro rata portion of his target bonus calculated according to the number of days he worked through the date of termination in the current fiscal year.

If, at any time other than during the Change in Control Employment Period, Mr. Meury's employment is terminated by the Company without Cause or by Mr. Meury for Good Reason, the Company will pay Mr. Meury, to the extent not already paid, his annual base salary through the date of termination, any deferred compensation, any accrued vacation pay, and an amount equal to a pro rata portion of his bonus based on actual performance and calculated according to the number of days he worked through the date of termination in the current fiscal year. In addition, the Company will pay him an amount equal to 1.5 times the sum of his annual base salary and his current target bonus. The Employment Agreement also provides that Mr. Meury's options and Sign-On RSU Award will vest as to the amount that would have vested had he continued to work for the Company for an additional 18 months, and the Sign-On PSU award will remain outstanding and eligible to achieve any of the applicable performance goals for 120 days following such termination. All options would continue to be exercisable for 180 days following the date of termination. The Employment Agreement also provides for the payment of COBRA premiums by the Company, or the cash equivalent thereof, for Mr. Meury and his family for up to 18 months, outplacement services for up to 12 months, as well as payment with respect to any other accrued amounts under other of the Company's benefits arrangements.

If during the Change in Control Employment Period Mr. Meury's employment is terminated by the Company without Cause or by Mr. Meury for Change in Control Good Reason, the Company will pay Mr. Meury, to the extent not already paid, his annual base salary through the date of termination, any deferred compensation, any accrued vacation pay, and an amount equal to a pro rata portion of his target bonus calculated according to the number of days he worked through the date of termination in the current fiscal year. In addition, the Company will pay Mr. Meury an amount equal to two times the sum of his current annual base salary and his current target bonus. The Employment Agreement also provides that in the event of such a termination, all of Mr. Meury's unvested RSUs and unvested stock options will vest in full, and all stock options will remain exercisable for 12 months following his termination. In addition, all performance shares (including the Sign-On PSUs) will be treated in accordance with their respective award agreements. The Employment Agreement also provides for the continuation of benefits for Mr. Meury and his family for up to 24 months, outplacement services for up to 12 months, as well as payment with respect to any other accrued amounts under other of the Company's benefits arrangements.

If Mr. Meury retires on a date after December 31, 2035 (as such date may be extended by mutual agreement), all outstanding equity awards that are granted by the Company to Mr. Meury after July 15, 2030 and before December 31, 2035 (or such later date after December 31, 2035 as may be mutually agreed upon) would continue to vest as if he continued to be employed by the Company following the date of his retirement. In addition, any outstanding stock option awards that are granted to Mr. Meury after July 15, 2030 and before December 31, 2035 (or such later date after December 31, 2035 as may be mutually agreed upon) that either were vested at the date of his retirement or become vested due to the post-retirement continued vesting provisions will be exercisable during the remainder of their original term. The effectiveness of these provisions will be subject to Mr. Meury's continued compliance with the non-solicitation/non-hiring and non-disparagement covenants described below, including during any period of post-retirement continued vesting provided by the Employment Agreement.

Under the Employment Agreement, Mr. Meury is subject to non-solicitation/non-hiring and non-disparagement covenants that extend two years from termination of employment. Upon certain breaches of those covenants after termination of employment, Mr. Meury must forfeit all of his unvested stock options, stock appreciation rights, RSUs, performance shares (including the Sign-On PSUs) and the gain or income realized from the exercise, vesting or settlement of the same within 24 months prior to the breach.

The Company and Mr. Meury also entered into an Indemnity Agreement, the form of which has been filed as Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

The foregoing description of the Offer Letter and Employment Agreement with Mr. Meury is only a summary and is qualified in its entirety by the terms of the Offer Letter and the Employment Agreement, copies of which are filed herewith as Exhibit 10.2 and Exhibit 10.3, respectively.

There is no family relationship between Mr. Meury and any director, executive officer, or person nominated or chosen by the Company to become a director or executive officer of the Company.

Amendment of 2024 Inducement Stock Incentive Plan

Prior to the effectiveness of the grants of equity awards to Mr. Meury in accordance with the Offer Letter, the Board amended the Company's 2024 Inducement Stock Incentive Plan (the "Inducement Plan") to increase the number of shares authorized for issuance under the Inducement Plan from 1,000,000 to 2,000,000 and to remove the provision that states that any shares issued in connection with awards other than options and stock appreciation rights shall be counted against this authorized share limitation as 2.0 shares for every one share so issued..

The foregoing description of the amendment to the Inducement Plan is qualified in its entirety by reference to the Inducement Plan, as amended, a copy of which is filed herewith as Exhibit 10.4.

Item 9.01 Financial Statements and Exhibits.

(d) **Exhibits**

[10.1 Transition Agreement between the Company and Hervé Hoppenot dated as of June 26, 2025,](#)

[10.2 Offer of Employment Letter, dated June 23, 2025, from the Company to William J. Meury.*](#)

[10.3 Employment Agreement between the Company and William J. Meury dated as of June 26, 2025.](#)

[10.4 Incyte Corporation 2024 Inducement Stock Incentive Plan, as amended on June 25, 2025.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

SIGNATURE

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

Date: June 27, 2025

INCYTE CORPORATION

By: _____ /s/ Sheila A Denton
Sheila A. Denton
Executive Vice President and
General Counsel

TRANSITION AGREEMENT

THIS TRANSITION AGREEMENT (the "Agreement") is made and entered into as of June 26, 2025 (the "Effective Date"), by and between INCYTE CORPORATION, a Delaware corporation (the "Company") and HERVÉ HOPPENOT ("Advisor"),

WITNESSETH:

WHEREAS, Advisor has notified the Board of Directors of the Company (the "Board") of his retirement as the Company's President and Chief Executive Officer ("CEO") effective as of the Effective Date, and Advisor and the Company desire to provide for the employment of Advisor to assist with the orderly transition of Advisor's duties to the newly appointed CEO; and

WHEREAS, Advisor and the Company wish to terminate and supersede the provisions of the Employment Agreement dated as of October 25, 2019 by and between Advisor and the Company; and

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

1. Definitions.

(a) "Annual Base Salary Rate" shall mean shall an annual rate of pay equal to \$1,395,731 per year. For the avoidance of doubt, when a provision of this Agreement requires payment of the Annual Base Salary Rate for a period of months, the Annual Base Salary Rate shall be converted into a monthly rate by dividing the Annual Base Salary Rate by 12.

(b) "Benefits" shall mean the Company's 401(k) Plan and the welfare benefit plans, practices, policies and programs provided by the Company (including, without limitation, medical, prescription, dental, disability, employee life, and group life plans and programs) which are provided at any time after the Effective Date to the CEO.

(c) "Cause" shall mean:

(i) The continued failure of Advisor to perform Advisor's duties with the Company or one of its affiliates, other than any such failure resulting from incapacity due to Disability, which incapacity has been recognized as such by the Board, after a written demand for substantial performance is delivered to Advisor by the Board that specifically identifies the manner in which the Board believes that Advisor has not substantially performed Advisor's duties; or

(ii) The engaging by Advisor in illegal conduct, gross misconduct or dishonesty which is injurious to the Company; or

(iii) Unauthorized disclosure or misuse of the Company's secret, confidential or proprietary information, knowledge or data relating to the Company or its affiliates; or

(iv) A material breach by Advisor of Section 4 of this Agreement which, if curable (as reasonably determined by the Board), Advisor has failed to remedy after the Board has given Advisor written notice of, and a reasonable opportunity to cure, such breach.

Notwithstanding the foregoing, "Cause" shall not include any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the CEO or based upon the advice of counsel for the Company. The cessation of employment of Advisor shall not be deemed to be for Cause unless and until there shall have been delivered to Advisor a copy of a resolution duly adopted by the affirmative vote of not less than two-thirds of the members of the Board then in office excluding, for this purpose, Advisor, at a meeting of the Board called and held for such purpose (after reasonable notice is provided to Advisor and Advisor is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, Advisor is guilty of the conduct described in subparagraph (i), (ii), (iii) or (iv) above, and specifying the particulars thereof in detail.

(d) "Change in Control" shall mean the occurrence of any of the following events:

(i) A change in the composition of the Board, as a result of which fewer than one-half of the incumbent directors are directors who either:

(A) Had been directors of the Company 24 months prior to such change; or

(B) Were elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the directors who had been directors of the Company 24 months prior to such change and who were still in office at the time of the election or nomination;

(ii) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities and Exchange Act of 1934) by the acquisition or aggregation of securities is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities ordinarily (and apart from rights accruing under special circumstances) having the right to vote at elections of directors (the "Base Capital Stock"); except that any change in the relative beneficial ownership of the Company's securities by any person resulting solely from a reduction in the aggregate number of outstanding shares of Base Capital Stock, and any decrease thereafter in such person's ownership of securities, shall be disregarded until such person increases in any manner, directly or indirectly, such person's beneficial ownership of any securities of the Company;

(iii) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company; or

(iv) There is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company to a Subsidiary or to an entity, the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

The term “Change in Control” shall not include a transaction, the sole purpose of which is to change the state of the Company’s incorporation.

(e) “Competitor” shall mean a biopharmaceutical company, other than the Company or any of its affiliates, that is engaged in the business of discovery, development or commercialization of proprietary therapeutics in any way competitive with any product in the commercial portfolio or discovery or development pipeline of the Company or any of its affiliates.

(f) “Disability” shall mean the absence of Advisor from Advisor’s duties with the Company for 180 consecutive business days as a result of incapacity due to mental or physical illness or impairment which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to Advisor or Advisor’s legal representative.

(g) “Stock Incentive Plan” shall mean the Company’s Amended and Restated 2010 Stock Incentive Plan.

2. Employment Arrangements.

(a) Advisor shall provide advice and counsel as may reasonably be requested by the CEO or the Board from time to time and perform such other reasonable duties as may be assigned to Advisor by the CEO or the Board commensurate with Advisor’s knowledge and prior position as CEO.

(b) The parties intend that Advisor shall be employed as special advisor to the CEO until the first anniversary of the Effective Date (the “Transition Completion Date”). Notwithstanding the foregoing, either the Company, at its sole discretion and for any reason, or Advisor, at his sole discretion and for any reason, may at any time prior to such first anniversary terminate upon written notice the employment of Advisor as special advisor to the CEO (in which case the “Transition Completion Date” shall be the date of such earlier termination of employment). Prior to the Transition Completion Date, Advisor shall not accept outside employment or other service obligations but may continue to serve in Advisor’s current director or advisor roles with outside companies; provided, that, subject to the prior approval of the Board, Advisor may provide outside director or advisor services to other entities prior to the Transition Completion Date so long as such services are not in violation of any restrictive covenants Advisor is subject to and do not conflict with or materially interfere with Advisor’s duties to the Company. For a one (1)-year period following the Transition Completion Date (the “Post-Employment Term”), Advisor shall be available, to the extent reasonably needed, to assist the Company in transitional matters in a non-employee consultant capacity. During the Post-Employment Term, Advisor may perform services as an employee of or consultant to another entity which is not a Competitor. The Board, in its sole discretion, may waive the prohibition on performing services as an employee of or consultant to a Competitor during the Post-Employment Term upon written request.

(c) A termination by the Company for Cause shall only be effective if Advisor is first given a Notice of Termination and an opportunity to cure. For purposes of this Agreement, a “Notice of Termination” means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Advisor’s employment under the provision so indicated, and (iii) specifies the termination date (which date shall be not less than 30 days after the giving of such notice). The failure by the Company to set forth in the Notice of Termination any fact or circumstance that contributes to a showing of Cause shall not waive any right of the Company hereunder or preclude the Company from asserting such fact or circumstance in enforcing the Company’s rights hereunder.

3. Compensation and Benefits.

(a) The Company shall pay to Advisor, in accordance with the Company’s standard practices, a prorated portion of the bonus to which Advisor would have been entitled under the Company’s annual bonus program as if Advisor were employed as Chief Executive Officer of the Company for the entire year ending December 31, 2025. Such bonus shall be based on the Company’s actual performance for the 2025 fiscal year and paid following the close of such year in accordance with the Company’s standard practices, and shall be prorated based on the number of days from January 1, 2025 through the Effective Date divided by 365.

(b) On the Effective Date the Company shall grant to Advisor equity awards under its Stock Incentive Plan with an aggregate fair value as of the grant date equal to \$2,000,000, determined in accordance with the Company’s current executive equity award practices, with 20% of such value in the form of stock options, 20% in the form of restricted stock units (“RSUs”) and 60% in the form of performance shares (collectively, the “Transition Awards”). The stock options and RSUs shall vest over four years from the grant date in accordance with the Company’s current executive award practices for stock options and RSUs, respectively. The performance shares shall vest over three years from the grant date and shall have the same three-year performance period and performance goals as the performance shares granted to other Company executives in 2025. The Transition Awards shall be documented using the same forms of award agreements as apply to other Company executives receiving Stock Incentive Plan awards in 2025, but in each case shall be subject to Section 3(f) of this Agreement.

(c) For the first six (6) months commencing on the Effective Date, the Company shall compensate Advisor for his full-time employment services as special advisor to the CEO at the Annual Base Salary Rate, payable in accordance with the Company’s standard payroll practices, and shall continue Advisor’s Benefits. For the next six (6) months, the Company shall compensate Advisor at fifty percent (50%) of the Annual Base Salary Rate payable in accordance with the Company’s standard payroll practices, and shall continue Advisor’s Benefits. Such salary payments and Benefits shall be subject in each case to Advisor’s continued employment as special advisor to the CEO for the duration of each such six-month period and shall cease immediately upon the Transition Completion Date; provided, however, that if Advisor’s employment as special advisor to the CEO is terminated by the Company without Cause prior to the first anniversary of the Effective Date, such salary payments and Benefits shall continue to be provided until the first anniversary of the Effective Date. On the Effective Date the Company shall pay to Advisor his accrued paid time-off, to the extent not theretofore paid, up to a maximum of 45 days with no further carryforward of any such accrued paid time-off in excess of 45 days. From the Effective Date through the Transition Completion Date, Advisor shall be eligible to accrue additional paid time-off in accordance with the Company’s standard practices for executives, but shall not be eligible to participate in any Company executive bonus or other bonus programs, profit sharing plan or management incentive plan except to the extent provided under Sections 3(a), 3(b) and 3(f) of this Agreement.

(d) Effective as of the Transition Completion Date, the Company shall pay to Advisor any accrued paid time-off for the period from the Effective Date through the Transition Completion Date, to the extent not theretofore paid. Advisor's coverage as an active employee under the Company's group health plan shall cease as of such date, but Advisor shall be given the opportunity to elect COBRA continuation coverage for himself and his eligible dependents. If Advisor elects such COBRA coverage and continues to pay the premiums for such coverage on a timely basis, then for the first twelve (12) months beginning on the Transition Completion Date, the Company shall reimburse Advisor for an amount equal to the amount it pays toward the cost of the same group health plan coverage for its active senior executives. The Company shall provide these reimbursements until the earlier of (i) the first anniversary of the Transition Completion Date or (ii) the date Advisor begins new employment.

(e) Following the Transition Completion Date and for as long as Advisor continues to serve as a member of the Board, Advisor shall be compensated for such services as a Board member in accordance with the Company's standard practices for compensating non-employee directors.

(f) Following the Transition Completion Date,

(i) Advisor shall be entitled to continued vesting in all of his outstanding unvested awards that were granted under the Stock Incentive Plan after July 15, 2019 and through the Effective Date (including but not limited to stock option, restricted stock unit and performance share awards, and including, for the avoidance of doubt, the Transition Awards), with such awards to become vested, exercisable and/or payable at the same time or times and under the same conditions as are provided in the applicable award agreements as if Advisor continued to be employed by the Company following the Transition Completion Date (for the avoidance of doubt, all of Advisor's unvested awards shall continue to vest on a schedule equivalent to what would have applied if he continued as a Company employee following the Transition Completion Date); and

(ii) Any outstanding stock option awards that are granted after July 15, 2019 and through the Effective Date (including, for the avoidance of doubt, stock options included in the Transition Awards) and that are either vested as of the Transition Completion Date or become vested after such date pursuant to clause (i) above shall be exercisable at any time during the remainder of the original term of the stock options as set forth in the applicable award agreements;

provided, however, that the benefits under clauses (i) and (ii) of this sentence shall be subject in each case to Advisor's continued compliance after the Transition Completion Date with the covenants in Section 4 of this Agreement.

(g) In the event of a Change in Control, Advisor shall continue to be entitled to receive the compensation and benefits set forth in this Section 3.

(h) If Advisor incurs reasonable expenses while providing services to the Company hereunder, he shall be entitled to reimbursement in accordance with the Company's standard policies. The Company further agrees to reimburse Advisor for all reasonable past expenses he has incurred while providing services to the Company prior to the Transition Completion Date.

4. Covenants.

(a) During Advisor's employment with the Company and for two (2) years after the Transition Completion Date (and for any additional period during which Advisor's equity awards continue to vest after the Transition Completion Date pursuant to Section 3(f) hereof), Advisor agrees that, without the prior express written consent of the Company, Advisor shall not, anywhere in the world, for his own benefit or for, with or through any other person, firm, partnership, corporation or other entity or individual (other than the Company or its affiliates) as or in the capacity of an owner, shareholder, employee, consultant, director, officer, trustee, partner, agent, independent contractor and/or in any other representative capacity or otherwise:

(i) personally (or personally direct another to) solicit or hire (A) any employee of the Company or its affiliates at the time of such solicitation or hiring or (B) any former employee of the Company or its affiliates who had such relationship within six (6) months prior to the date of such solicitation or hiring, including but not limited to attempting to induce any such employee of the Company or its affiliates to leave the employ of the Company; or

(ii) personally (or personally direct another to) disparage the Company, any of its products or practices, or any of its directors, officers, agents, representatives, owners or employees, either orally or in writing; provided, that Advisor may confer in confidence with his legal representatives and make truthful statements as required by law.

For purposes of this Section 4(a), the term "solicit" means any communication of any kind whatsoever, regardless of by whom initiated, inviting, encouraging or requesting any person or entity to take or refrain from taking any action.

(b) Advisor shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by Advisor during Advisor's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by Advisor or representatives of Advisor in violation of this Agreement). After the Transition Completion Date, Advisor shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 4 constitute a basis for deferring or withholding any amounts otherwise payable to Advisor under this Agreement. Advisor also agrees to comply with the terms set forth in the Confidential Information and Invention Assignment Agreement between Advisor and the Company (the "Confidential Information Agreement").

(c) If at any time prior to the date that is 365 days after the Transition Completion Date, or any time after the Transition Completion Date and prior to the date on which Advisor's equity awards have become fully vested in accordance with Section 3(f) hereof, Advisor breaches any provision of Sections 4(a) or 4(b) of this Agreement in more than a minor, de minimis or trivial manner, then (i) Advisor shall forfeit all of his unexercised Company stock options or stock appreciation rights, unvested Company restricted stock, unvested Company restricted stock units and unvested performance shares, and (ii) the gain or income realized within the twenty-four (24) months prior to such breach from (A) the exercise of any Company stock options or stock appreciation rights, (B) the vesting of any Company restricted stock or other Company equity based awards, (C) the vesting and settlement of any performance shares, or (D) the vesting of restricted stock units, by the Advisor from such event shall be paid by Advisor to the Company upon notice from the Company (for purposes of this Section 4(c), the exercise of incentive stock options and the vesting of restricted stock units shall be treated as a realization event). Such gain shall be determined on a gross basis, without reduction for any taxes incurred, as of the date of such event, and without regard to any subsequent change in the Fair Market Value (as defined below) of a share of Company common stock. The Company shall have the right to offset such gain against any amounts otherwise owed to Advisor by the Company (whether as wages, vacation pay, or pursuant to any benefit plan or other compensatory arrangement). For purposes of this Section 4(c), the "Fair Market Value" of a share of Company common stock on any date shall be (i) the closing sale price per share of Company common stock during normal trading hours on the national securities exchange on which the Company common stock is principally traded for such date or the last preceding date on which there was a sale of such Company common stock on such exchange or (ii) if the shares of Company common stock are then traded on any over-the-counter market, the average of the closing bid and asked prices for the shares of Company common stock during normal trading hours in such over-the-counter market for such date or the last preceding date on which there was a sale of such Company common stock in such market, or (iii) if the shares of Company common stock are not then listed on a national securities exchange or traded in an over-the-counter market, such value as the Compensation Committee of the Board shall determine in good faith.

(d) The termination of Advisor's employment or of this Agreement shall have no effect on the continuing operation of this Section 4.

(e) Advisor acknowledges and agrees that the Company will have no adequate remedy at law, and could be irreparably harmed, if Advisor breaches or threatens to breach any of the provisions of this Section 4. Advisor agrees that the Company shall be entitled to equitable and/or injunctive relief to prevent any breach or threatened breach of this Section 4, and to specific performance of each of the terms hereof in addition to any other legal or equitable remedies that the Company may have. Advisor further agrees that he shall not, in any equity proceeding relating to the enforcement of the terms of this Section 4, raise the defense that the Company has an adequate remedy at law.

(f) The terms and provisions of this Section 4 are intended to be separate and divisible provisions and if, for any reason, any one or more of them is held to be invalid or unenforceable, neither the validity nor the enforceability of any other provision of this Agreement shall thereby be affected. The parties hereto acknowledge that the potential restrictions on Advisor's future employment imposed by this Section 4 are reasonable in both duration and geographic scope and in all other respects. If for any reason any court of competent jurisdiction shall find any provisions of this Section 4 unreasonable in duration or geographic scope or otherwise, Advisor and the Company agree that the restrictions and prohibitions contained herein shall be effective to the fullest extent allowed under applicable law in such jurisdiction.

(g) The parties acknowledge that this Agreement would not have been entered into and the benefits described herein would not have been promised in the absence of Advisor's promises under this Section 4.

5. Non-Exclusivity of Rights and Full Settlement.

(a) Nothing in this Agreement shall prevent or limit Advisor's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which Advisor may qualify, nor shall anything herein limit or otherwise affect such rights as Advisor may have under any contract or agreement with the Company or any of its affiliated companies, except as provided herein. Amounts that are vested benefits or that Advisor is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Transition Completion Date shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

(b) The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against Advisor or others (other than pursuant to Section 4(c) of this Agreement). In no event shall Advisor be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Advisor under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Advisor obtains other employment. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which Advisor may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, Advisor or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by Advisor about of any payment pursuant to this Agreement), plus in each case interest on any delayed payment and the applicable Federal rate provided for in Section 7872(f)(2) (A) of the Internal Revenue Code of 1986 as amended. Notwithstanding the foregoing, the Company shall not be required to pay legal fees and expenses which Advisor may incur as a direct result of any contest or dispute regarding Sections 4(a) and 4(c), unless Advisor is found to have not violated such Sections 4(a) and 4(c) of this Agreement, in which event the Company shall reimburse Advisor for all such legal fees and expenses incurred as a result of such contest or dispute.

6. Advisor's Representations.

Advisor hereby represents and warrants to the Company that he has fully reviewed this Agreement and the transactions contemplated hereby, and that he fully understands this Agreement and such transactions. In connection with this review, Advisor has had an opportunity to consult with legal counsel and with financial and other advisors of his choosing and, if he has decided not to do so, such choice was his voluntary decision. The terms of this Agreement are voluntarily accepted by Advisor without duress or coercion.

7. Mutual Release.

The benefits to be provided to Advisor following the Transition Completion Date pursuant to this Agreement are expressly conditioned upon Advisor's execution of a release, within 21 days following the Transition Completion Date, in the following form, and the Company's obligation to provide such benefits shall not become effective until 7 days after the date of execution by Advisor of such release (the "Release Effective Date"):

"In consideration of the benefits to be provided to Advisor pursuant to the Agreement, the sufficiency of which Advisor acknowledges, Advisor, on behalf of himself, his family members and his and their heirs and successors, assigns, attorneys and agents, hereby releases and forever discharges the Company, as well as its officers, attorneys, directors, employees, stockholders and agents, and their successors and assigns, and its employee pension benefit or welfare benefit plans and current and former trustees and administrators of such plans (collectively "Company Releasees") from any and all claims, contracts, liabilities, damages, expenses and causes of action, whether in law or in equity, known or unknown, which may have existed or which may now exist from the beginning of time to the Release Effective Date against one or more of the Company Releasees (collectively "Advisor Claims"), to the extent such Advisor Claims relate in any way directly or indirectly, in whole or in part to: Advisor's resignation as Chief Executive Officer pursuant to this Agreement, the fact that Advisor is or was an employee, officer, stockholder or agent of the Company; any services performed by Advisor for the Company; Advisor's employment or non-employment by the Company; any alleged harassment or disparagement suffered by Advisor during his employment at the Company; any status, term or condition of such employment; any physical or mental harm or distress arising from such termination, employment or non-employment; any claims based upon federal, state or local laws prohibiting employment discrimination, including but not limited to claims of discrimination under the Fair Employment and Housing Act, Title VII of the 1964 Civil Rights Act, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, the Rehabilitation Act of 1973, the Family and Medical Leave Act of 1993, or the Employee Retirement Income Security Act of 1974; breach of contract or any other legal basis. This release also includes release of any claims for age discrimination under the Age Discrimination in Employment Act, as amended ("ADEA"). The ADEA requires that Advisor be advised to consult with an attorney before Advisor waives any claim under the ADEA. In addition, the ADEA provides Advisor with at least 21 days to decide whether to waive claims under the ADEA and seven days after Advisor signs this Agreement to revoke that waiver.

Advisor understands that various federal, state and local laws prohibit age, sex, national origin, race and other forms of employment discrimination and that these laws are enforced through the U.S. Equal Employment Opportunity Commission, and similar state and local agencies. Advisor understands that if he believed that his treatment by the Company had violated any of these laws, he could consult with these agencies and file a charge with them. Instead, Advisor has voluntarily decided to accept the Company's offer in the Agreement and to waive and release any and all claims he may have under such laws.

The Company hereby releases and forever discharges Advisor, his successors and assigns (collectively "Advisor Releasees") from any and all claims, demands, costs, contracts, liabilities, objections, rights, damages, expenses, compensation and actions and causes of action of every nature, whether in law or in equity, known or unknown, or suspected or unsuspected, which may have existed or which may now exist from the beginning of time to the Release Effective Date, against Advisor of any type, nature and description, or may have in the future (collectively "Company Claims"), to the extent such Company Claims relate in any way directly or indirectly, in whole or in part to, or are in any way connected with or based upon: the fact that Advisor is or was an employee, officer, stockholder, consultant or agent of the Company; any services performed by Advisor for the Company; Advisor's employment or non-employment by the Company; or any status, term or condition of such employment other than any breach of Advisor's Confidential Information Agreement.

Nothing under the Agreement or in this release shall affect the parties' obligations under this Agreement, the Confidential Information Agreement or the Indemnity Agreement between Advisor and the Company, or release Advisor from any claims arising from any fraudulent or illegal acts committed while he was an employee of the Company."

8. Successors.

(a) This Agreement is personal to Advisor and without the prior written consent of the Company shall not be assignable by Advisor otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Advisor's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

9. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Advisor:
at Advisor's current address shown on the records of the Company

If to the Company:
Incyte Corporation
1801 Augustine Cut-Off
Wilmington, DE 19803
Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to applicable law or regulation.

(e) Advisor's or the Company's failure to insist on strict compliance with any provision of this Agreement or the failure to assert any right Advisor or the Company may have hereunder shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) Should any disputes, claims, complaints, or causes of action occur between Advisor and the Company (the "Parties") which arise out of, are related to, or connected with, either or directly or indirectly, the interpretation, application, or alleged violation of this Agreement, or which arise out of any other professional, personal or business dealings or relationships between the Parties, they shall all be resolved in arbitration in accordance with the rules and procedures of JAMS (Judicial Arbitration and Mediation Services), New York Times Building, 620 8th Avenue, New York, NY 10018 (212-751-2700). The Parties voluntarily and knowingly acknowledge their understanding that under this provision for arbitration they are waiving (i.e., giving up) their right to bring a law suit in a court of law and to have a judge and a trial by jury to resolve any of these claims/disputes/causes of action between them. If any arbitration is brought by any Party under this Agreement and under the Offer Letter, then both arbitrations shall be consolidated into one and shall be heard by one arbitrator in a single arbitration proceeding. Any arbitration proceeding shall be held in Wilmington, Delaware. Any decision as to the scope and nature of Advisor's duties shall be made by the Board, in its sole discretion, and shall not be subject to any dispute resolution.

(g) To the fullest extent applicable, amounts and other benefits payable under this Agreement are intended to be exempt from the definition of “nonqualified deferred compensation” under section 409A of the Code (“Section 409A”) in accordance with one or more of the exemptions available under the final Treasury regulations promulgated under Section 409A and, to the extent that any such amount or benefit is or becomes subject to Section 409A due to a failure to qualify for an exemption from the definition of nonqualified deferred compensation in accordance with such final Treasury regulations, this Agreement is intended to comply with the applicable requirements of Section 409A with respect to such amounts or benefits. This Agreement shall be interpreted and administered to the extent possible in a manner consistent with the foregoing statement of intent.

(h) This Agreement constitutes the entire agreement of the parties relating to the subject matter hereof, and supersedes all prior and contemporaneous negotiations, correspondence, understandings and agreements of the parties relating to the subject matter hereof, including without limitation the Employment Agreement dated as of October 25, 2019 by and between the Company and Advisor, which, as of the Effective Date, shall be terminated and be of no further force or effect; provided, however, that the Confidential Information Agreement shall remain in full force and effect and the outstanding equity award agreements provided by the Company to Advisor, as the same may be modified by this Agreement, shall remain in full force and effect.

(i) This Agreement may be executed in counterparts, each of which is deemed an original, but all of which constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Advisor and the Company, through the Lead Independent Director of the Board, have executed this Agreement effective as of the day and year first written above.

ADVISOR

/s/ Hervé Hoppenot
Hervé Hoppenot

COMPANY

By /s/ Julian C. Baker
Julian C. Baker
Lead Independent Director and Chairman of the Board of Directors

Certain identified information, marked by [***], has been excluded from the exhibit because it is both (i) not material and (ii) would likely cause competitive harm to the Company, if publicly disclosed.



June 23, 2025

William J. Meury

[*personally identifiable information*]

Dear Bill,

It is with great pleasure that we offer you the position of President and Chief Executive Officer at Incyte Corporation (“Incyte” or the “Company”) reporting to the Incyte board of directors (“Board of Directors”). The terms of this offer are set forth in this letter.

1. Annual Salary and Bonus. Should you accept our offer, your salary will be \$1,250,000 per year, payable on a bi-weekly basis at the rate of \$48,076.92 per pay period. This is a salaried, exempt position, as your salary covers compensation for all hours worked. Your salary will be subject to annual review for increase by the Compensation Committee of the Board of Directors (the “Compensation Committee”), with the first such review to occur at the Compensation Committee’s regularly scheduled meeting for that purpose in the first quarter of 2026. In addition, beginning in 2025, you will be eligible to participate in the Company’s annual Incentive Compensation Plan (“ICP”). Employees are assigned a “Funding Target”, based on their job category, as a percent of base pay. As President and CEO, your funding target for 2025 will be 100%. Your actual ICP award will be determined by the Compensation Committee in its discretion based on the achievement of performance goals determined annually by the Board of Directors, and your ICP award for 2025 will be no less than a pro rated amount of your 2025 funding target based on time worked in 2025. This cash incentive plan is subject to ongoing approval by the Board of Directors and may be modified or terminated by the Board of Directors at any time at their sole discretion.
 2. Annual Equity Awards. Each fiscal year beginning with the fiscal year 2026, subject to the approval of the Compensation Committee of the Board of Directors, Incyte will grant you awards under its 2010 Stock Incentive Plan (or a successor plan or related agreement), consisting of Stock Options, Restricted Stock Units (RSUs), and/or Performance Shares as the Compensation Committee approves for such fiscal year.
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3. 2025 Equity Awards. Within 10 days of the Start Date (as defined below), you will be granted 2025 annual equity awards with an aggregate fair value as of the Start Date equal to \$12,000,000, determined in accordance with the company's current executive equity award practices, with 60% of such value in the form of Performance Shares, 20% of in the form of Stock Options (with such Stock Options granted on the Start Date) and 20% in the form of restricted stock units. These awards will be employment inducement awards within the meaning of NASDAQ Listing Rule 5635(c)(4) and will be governed by the terms and conditions of the Incyte Corporation 2024 Inducement Stock Incentive Plan (the "Plan"). Awards granted will be calculated using a 30-day trading day average price. The Performance Shares will cliff vest on the third anniversary of the grant date, and will be settled based on total shareholder return as compared to peer companies with a range of 0%-200% during a 3-year performance period (beginning on January 1, 2025 and ending on December 31, 2027). The Stock Options will vest over four years, with 25% vesting on the first anniversary of the grant date and the remaining Stock Options vesting in equal monthly installments over the subsequent 36 months. The restricted stock units will vest over four years, with 25% vesting on the first anniversary of the grant date and the remaining restricted stock units vesting in equal annual installments. The specific terms and conditions of these awards will be set forth in equity grant agreements to be entered into between you and the Company.

4. One-time Grant of Performance Shares. Within 10 days of the Start Date, you will be granted 125,000 Performance Shares (PSUs) as an employment inducement award within the meaning of NASDAQ Listing Rule 5635(c)(4) (the "Sign-on PSUs"), which will be governed by the terms and conditions of the Plan, which can be earned at 0-400% of the 125,000 target based on actual performance. The Sign-on PSUs will be subject to performance and service vesting conditions and delayed settlement terms, as set forth below and in the PSU award agreement to be entered into between you and the Company.

Performance Vesting. The Sign-on PSUs will performance vest on the first to occur of (x) the volume-weighted-average-daily price of the Company's common stock, as determined in good faith by the Compensation Committee, for (1) at least [***] trading days in any period of [***] consecutive trading days (the "[***] Trading Day Condition") and (2) at least [***] trading days within a single open trading window as applicable for directors and executive leadership team members (the "Open Window Condition") or (y) the price paid for a share of the Company's common stock in any transaction constituting a Change in Control (as defined in the Plan, and such transaction a "Change in Control Transaction") is equal to or greater than the following amounts:

- I. Tranche 1 for target performance (100%) – 125,000 shares earned at \$[***] per share;
 - II. Tranche 2 for outperformance (200%) – an additional 125,000 shares earned at \$[***] per share;
 - III. Tranche 3 for super outperformance (300%) – an additional 125,000 shares earned at \$[***] per share; and
 - IV. Tranche 4 for maximum performance (400%) – an additional 125,000 shares earned at \$[***] per share.
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The Open Window Condition with respect to any stock price hurdle must be satisfied (a) in the same period of trading days as the [***] Trading Day Condition or (b) in one of the next two subsequent open trading windows of [***] or more days. For the avoidance of doubt, if the stock trades for [***] trading days for more than \$[***] per share during an open trading window either (a) before the period that the \$[***] per share [***] Trading Day Condition is met or (b) after the next two open trading windows of [***] or more days have passed subsequent to the period that the \$[***] per share [***] Trading Day Condition is met, then Tranche 1 does not performance vest at such time, but Tranche 1 may performance vest subsequently by achievement of both the [***] Trading Day Condition and Open Window Condition per the terms above. The Tranche 1, 2, 3 and 4 stock price hurdles will be equitably adjusted by the Compensation Committee for any stock split or other recapitalization.

The stock price hurdles to the contrary notwithstanding, to the extent that the price payable for a share of the Company's common stock in a Change in Control Transaction is less than \$[***] per share, the performance vesting condition shall be deemed satisfied as to that number of additional Sign-on PSUs determined by mathematical interpolation between (x) the highest stock price hurdle actually achieved and (y) the next highest stock price hurdle, based on the actual per share price paid in such Change in Control Transaction.

Service Vesting. The Sign-on PSUs will time vest upon the later of (i) the one-year anniversary of the date of grant and (ii) achievement of the applicable stock price hurdle, subject, in each case, to continued employment with the Company through the date of such date, and at the time of your termination of employment for any reason the unvested portion of your Sign-on PSUs will be forfeited.

Delayed Settlement. Sign-on PSUs that vest per the performance vesting and service vesting conditions above will be settled in shares of Company common stock (except as provided below) on the following schedule; provided that, a portion of the Sign-on PSUs will settle as and when necessary to satisfy FICA tax obligations and any income taxes that arise as a result of such settlement to satisfy such FICA tax obligations:

- I. Tranche 1 on the later of the three (3) year anniversary of the Start Date and the date Tranche 1 vests;
- II. Tranche 2 on the later of the four (4) year anniversary of the Start Date and the date Tranche 2 vests;
- III. Tranche 3 on the later of the five (5) year anniversary of the Start Date and the date Tranche 3 vests; and
- IV. Tranche 4 on the later of the six (6) year anniversary of the Start Date and the date Tranche 4 vests.

Vested Sign-on PSUs will settle on the preceding schedule even if your employment terminates between vesting and settlement. In the event you are terminated without Cause or resign for Good Reason (each, as defined in your Employment Agreement) within 24 months after a Change in Control that constitutes a "change in control" under Code Section 409A, the remaining unpaid portion of your vested Sign-on PSUs will be promptly settled at that time.

6 Year Performance Period. In the event that the performance vesting condition is not met with respect to any portion of the Sign-on PSUs on or prior to the earlier of (1) the six (6) year anniversary of the Start Date and (2) a Change in Control, such portion of the Sign-on PSUs will be forfeited.

Dividend Equivalent Rights. Until settled, you will be entitled to dividend equivalent rights on the Sign-on PSUs, on all dividends (if any) as and when declared and paid to stockholders, which shall be payable to you as additional Sign-on PSUs (valued and converted into applicable units at the time of payment of such dividends to stockholders), which shall vest and be settled (or forfeited) on the same terms and in the same proportions as apply to the Sign-on PSUs, respectively.

5. Housing and Commuting Allowance; Professional Fees. The Company will reimburse the reasonable cost of an apartment in Wilmington, Delaware, as long as you regularly spend time in Wilmington and remain employed by the Company. The Company will pay the reasonable professional fees incurred by you in connection with the negotiation and documentation of this offer and any related agreements, up to \$25,000. The Company will reimburse yearly commuting expenses of up to \$25,000.
 6. Place of Performance. Your primary office will be at the Company's headquarters, in Wilmington, Delaware.
 7. Benefits. Incyte offers employees and their eligible dependents a variety of group health insurance benefits. Effective on your first day of employment, you will be eligible for these benefits which currently include medical, dental, vision, disability, and life insurance. An outline of our benefits package is enclosed. The premium cost of these benefits for employees are currently being paid by Incyte. Incyte also offers a 401(k) Plan in which you can enroll any time after you commence your employment. Paid Time Off (PTO) accrues quarterly to a maximum of 20 days (160 hours) per 12-month period with 4 years of service or less, to a maximum of 25 days (200 hours) for years 5 through 9, and a maximum of 30 days (240 hours) for year 10 and beyond. These hours are accrued the first day of each quarter. As a new hire, you will accrue a full 4 days (40 hours) of PTO for the quarter in which you start. Information about these programs and other company benefits along with guidelines concerning employment are contained in Incyte's Employee Handbook (the "Handbook"), a link which is given to you at the time your employment commences. As an executive of the Company, you will also receive tax preparation and financial planning benefits not to exceed \$10,000.
 8. Corporate Policy. You will receive a Confidential Information and Invention Assignment Agreement ("Confidentiality Agreement") as in the form attached as Appendix A in your onboarding packet which will be sent to you electronically prior to your start date. As a condition of your employment with Incyte, you are required to electronically sign the Confidentiality Agreement protecting Incyte's proprietary and competitive information prior to your start date. This offer of employment is subject to your acceptance of the terms of the Confidentiality Agreement. Please note that your employment with Incyte, if accepted, will be on an "at will" basis, meaning that either you or the Company can terminate the employment relationship for any reason at any time.
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9. Severance. You are entitled to the severance benefits set forth in your attached Employment Agreement.
10. Company Board of Directors. On the Start Date, you will be appointed to the Board of Directors.
11. Outside Board Positions. During your employment with the Company, you may also serve on the board of one public or private company, following prior written approval by the Board of Directors.
12. Employment Documentation. This offer of employment is contingent upon your being able to provide Incyte with documentation that verifies your identity and employment eligibility on the date that you report to work. This offer of employment is also contingent on the Company receiving satisfactory background checks. Prior to your Start Date, you will receive and sign the Company's standard Indemnification Agreement, Code of Business Conduct and Ethics, Senior Financial Officers' Code of Ethics, Insider Trading Policy, Computer Usage Policy, EEO form and I-9 agreements.

We would be delighted by your decision to join Incyte and we look forward to your acceptance of this offer of employment. We believe Incyte offers an exciting and challenging opportunity.

In order to confirm your agreement with and acceptance of these terms, please sign one copy of this letter and return it to me along with your signed Employment Agreement. The other copy of this offer letter is for your records. In the meantime, should you have any questions about our offer or about the Company more generally, please contact me.

Sincerely,

/s/ Julian C. Baker

Julian C. Baker
Lead Independent Director
of the Board of Directors
Incyte Corporation

I have read and understand the terms of this offer and agree to the terms of employment. I will be available to report to work on June 26, 2025 (the "Start Date").

/s/ William J. Meury

William J. Meury

June 23, 2025

Date

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the “**Agreement**”) by and between **INCYTE CORPORATION**, a Delaware corporation (the “**Company**”), and **William J. Meury** (the “**Executive**”), dated as of the 26th day of June, 2025 (the “**Start Date**”).

The Board of Directors of the Company (the “**Board**”), has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the dedication of the Executive, notwithstanding the possibility, threat or occurrence of a Change in Control (as defined below) of the Company. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change in Control and to encourage the Executive’s full attention and dedication to the Company currently and in the event of any threatened or pending Change in Control, and to provide the Executive with compensation and benefits arrangements upon a Change in Control and an event of Change in Control Good Reason that ensure that the compensation and benefits expectations of the Executive will be satisfied and that are competitive with those of other comparable corporations. In addition, as an inducement to the agreement by Executive to be employed by the Company prior to a Change in Control on an “at will” basis, the Company desires to provide Executive with certain benefits upon termination of Executive’s employment under certain circumstances as set forth herein.

In order to accomplish these objectives, the Board has caused the Company to enter into that certain offer letter between the Company and the Executive, dated June 23, 2025 (the “**Offer Letter**”) and this Agreement in furtherance of the same objectives and to provide additional incentives for the Executive to remain employed by the Company.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

SECTION 1. DEFINITIONS.

(a) “**Annual Base Salary**” shall mean the highest rate of annual base salary paid or payable, including any base salary that has been earned but deferred, to the Executive by the Company and its affiliated companies in respect of the 12-month period immediately preceding the month in which the Change in Control or, in the case of termination other than on account of a Change in Control, the Date of Termination occurs.

(b) “**Business Unit**” shall mean a Subsidiary or a business division of the Company or Subsidiary in which the Executive is primarily employed.

(c) “**Cause**” shall mean, during the Change in Control Employment Period:

(i) The material and continued failure of the Executive to perform substantially the Executive’s duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness or impairment), after a written demand for substantial performance is delivered to the Executive by the Board of the Company which specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive’s duties; or

(ii) The willful engaging by the Executive in illegal conduct, gross misconduct or dishonesty which is materially and demonstrably injurious to the Company; or

(iii) Unauthorized and prejudicial disclosure or misuse of the Company's secret, confidential or proprietary information, knowledge or data relating to the Company or its affiliates.

Notwithstanding the foregoing, "Cause" during the Change in Control Employment Period shall not include any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i), (ii) or (iii) above, and specifying the particulars thereof in detail.

"Cause" shall mean, during the Employment Period:

(i) The material and continued failure of the Executive to perform the Executive's duties with the Company or one of its affiliates, other than any such failure resulting from incapacity due to Disability, which incapacity has been recognized as such by the Board, after a written demand for substantial performance is delivered to the Executive by the Board that specifically identifies the manner in which the Board believes that the Executive has materially failed to perform the Executive's duties; or

(ii) The engaging by the Executive in illegal conduct, gross misconduct or dishonesty which is injurious to the Company; or

(iii) Unauthorized disclosure or misuse of the Company's secret, confidential or proprietary information, knowledge or data relating to the Company or its affiliates; or

(iv) A material breach by the Executive of Section 7 of this Agreement which, if curable (as reasonably determined by the Board), the Executive has failed to remedy after the Board has given the Executive written notice of, and a reasonable opportunity to cure, such breach.

Notwithstanding the foregoing, "Cause" during the Employment Period shall not include any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than two-thirds of the members of the Board then in office excluding, for this purpose, the Executive, at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i), (ii), (iii), or (iv) above, and specifying the particulars thereof in detail.

(d) “**Change in Control**” shall mean the occurrence of any of the following events:

(i) A change in the composition of the Board, as a result of which fewer than one-half of the incumbent directors are directors who either:

(A) Had been directors of the Company 24 months prior to such change; or

(B) Were elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the directors who had been directors of the Company 24 months prior to such change and who were still in office at the time of the election or nomination;

(ii) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) by the acquisition or aggregation of securities is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities ordinarily (and apart from rights accruing under special circumstances) having the right to vote at elections of directors (the “**Base Capital Stock**”); except that any change in the relative beneficial ownership of the Company's securities by any person resulting solely from a reduction in the aggregate number of outstanding shares of Base Capital Stock, and any decrease thereafter in such person's ownership of securities, shall be disregarded until such person increases in any manner, directly or indirectly, such person's beneficial ownership of any securities of the Company;

(iii) The stockholders of the Company approve a plan of complete liquidation or dissolution of the Company;

(iv) There is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company to a Subsidiary or to an entity, the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale; or

(v) The sale, transfer or other disposition of a substantial portion of the stock or assets of the Company or a Business Unit or a similar transaction as the Board, in each case, in its sole discretion, may determine to be a Change in Control.

The term “**Change in Control**” shall not include a transaction, the sole purpose of which is to change the state of the Company's incorporation or the initial public offering of the stock of a Business Unit.

(e) “**Change in Control Employment Period**” shall mean the 24-month period following the occurrence of a Change in Control.

(f) “**Change in Control Good Reason**” shall mean:

(i) The assignment to Executive of any duties inconsistent with Executive’s position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as in effect immediately prior to a Change in Control or any other action by the Company that results in a diminishment in such position, authority, duties or responsibilities; or

(ii) (A) Except as required by law, the failure by the Company to continue to provide to Executive benefits substantially equivalent or more beneficial (including in terms of the amount of benefits provided and the level of participation of Executive relative to other participants), in the aggregate, to those enjoyed by Executive under the Company’s employee benefit plans (including, without limitation, any pension, deferred compensation, split-dollar life insurance, supplemental retirement, retirement or savings plan(s) or program(s)) and Welfare Benefits in which Executive was eligible to participate immediately prior to the Change in Control; or (B) the taking of any action by the Company that would, directly or indirectly, materially reduce or deprive Executive of any other benefit, perquisite or privilege enjoyed by Executive immediately prior to the Change in Control, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and that is remedied by the Company promptly after receipt of notice thereof given by the Executive; or

(iii) The Company’s requiring the Executive to be based at any office or location more than 35 miles from the office or location where the Executive is based immediately prior to the Change in Control; or

(iv) Any reduction in the Executive’s Base Salary or Target Bonus opportunity; or

(v) A material breach by the Company of Sections 2, 3 or 4 of the Offer Letter or this Agreement.

(g) “**Code**” shall mean the Internal Revenue Code of 1986, as amended.

(h) “**Disability**” shall mean the absence of the Executive from the Executive’s duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness or impairment which is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to the Executive or the Executive’s legal representative.

(i) “**Employment Period**” means the period the Executive is employed by the Company prior to the Change in Control Employment Period and the period the Executive is employed by the Company after the end of a Change in Control Employment Period.

(j) “**Good Reason**” shall mean:

(i) The assignment to Executive of any duties substantially and materially inconsistent with Executive’s position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as in effect prior to the Date of Termination or any other action by the Company that results in a substantial and material diminishment in such position, authority, duties or responsibilities; or

(ii) Any material reduction in the Executive's Base Salary, Target Bonus opportunity or Welfare Benefits, unless such reductions are made proportionally for all executives of the Company at the same time; or

(iii) A material breach by the Company of this Agreement or of Sections 2, 3 or 4 of the Offer Letter.

(k) "**Performance Shares**" shall mean awards under the Company's 2024 Inducement Stock Incentive Plan, the Company's Amended and Restated 2010 Stock Incentive Plan or any other stock-based incentive plan (the "**Stock Plans**"), which entitle Executive to receive shares of common stock of the Company upon achievement of certain performance goals set forth in the applicable award agreements.

(l) "**Retirement**" shall mean the Executive's voluntary termination of employment with the Company after December 31, 2035 (or such later date after December 31, 2035 as shall have been mutually agreed upon by Executive and the Company through amendment of this Agreement) and after having provided the Company with two (2) years advanced written notice of such intent to retire, provided that he has remained in continuous employment with the Company through such date.

(m) "**RSUs**" shall mean the restricted stock units which entitle Executive to receive shares of common stock of the Company, as described in the Offer Letter, or, as the case may be, other restricted stock units awarded under the Company's Stock Plans, which entitle Executive to receive shares of common stock of the Company.

(n) "**Subsidiary**" shall mean any other entity, whether incorporated or unincorporated, in which the Company or any one or more of its Subsidiaries directly owns or controls (i) 50% or more of the securities or other ownership interests, including profits, equity or beneficial interests, or (ii) securities or other interests having by their terms ordinary voting power to elect more than 50% of the board of directors or others performing similar function with respect to such other entity that is not a corporation.

(o) "**Target Bonus**" shall mean the Executive's target bonus under the Company's annual bonus program, or any comparable bonus under any predecessor or successor plan for the year prior to the year in which the Change in Control or, in the case of a termination other than on account of a Change in Control, the Date of Termination occurs.

(p) "**Welfare Benefits**" shall mean welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, and group life plans and programs) (i) in effect for the Executive at any time during the 120-day period immediately preceding (A) the Change in Control or (B) the Date of Termination (as defined below) or (ii) which are provided at any time after the Change in Control to peer executives of the Company and its affiliated companies, whichever of (i)(A), (i)(B) or (ii) provides, in the aggregate, the most favorable benefit to the Executive.

SECTION 2. TERMINATION OF EMPLOYMENT.

(a) Death or Disability. The Executive's employment shall terminate automatically upon the Executive's death during the Employment Period or Change in Control Employment Period. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period or Change in Control Employment Period, it may give to the Executive written notice in accordance with Section 9(b) of this Agreement of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after receipt of such notice by the Executive (the "**Disability Effective Date**"), provided that, within the 30 days after such receipt, the Executive shall not have returned to full-time performance of the Executive's duties.

(b) Cause. The Company may terminate the Executive's employment for Cause during the Employment Period or Change in Control Employment Period.

(c) Good Reason. The Executive's employment may be terminated by the Executive for Good Reason during the Employment Period.

(d) Change in Control Good Reason. The Executive's employment may be terminated by the Executive for Change in Control Good Reason during the Change in Control Employment Period. For purposes of this Section 2(d), any good faith determination of "Change in Control Good Reason" made by the Executive shall be conclusive. The termination of the Executive's employment with the Company prior to, but in anticipation of or in connection with, a Change in Control shall be deemed to be a termination by the Executive for Change in Control Good Reason during the Change in Control Employment Period if the Board so determines in its good faith judgment.

(e) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason during the Employment Period or for Change in Control Good Reason during the Change in Control Employment Period, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 9(b) of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 days after the giving of such notice or such later date as provided under this Section 2(e)). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason, Change in Control Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder. Notwithstanding the foregoing, a termination shall not be treated as a termination for Good Reason unless (i) the Executive provides a Notice of Termination or a supplemental written notice asserting existence of the condition constituting Change in Control Good Reason within 60 days following the initial existence of the condition, (ii) the Company shall have 60 days from the date of receiving such notice to remedy the condition (the "Cure Period"), and (iii) if the Company fails to remedy the condition during the Cure Period, the Executive terminates employment no later than 60 days after the end of the Cure Period.

(f) Date of Termination. “Date of Termination” means (i) if the Executive’s employment is terminated by the Company for Cause, by the Executive for Good Reason during the Employment Period, or by the Executive for Change in Control Good Reason during the Change in Control Employment Period, the date of receipt of the Notice of Termination or any later date specified therein or otherwise required by Section 2(e) above, as the case may be, (ii) if the Executive’s employment is terminated by the Company other than for Cause or Disability or by the Executive other than for Good Reason or Change in Control Good Reason, the Date of Termination shall be the date on which the Company or the Executive, as the case may be, notifies the other of such termination, and (iii) if the Executive’s employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be.

(g) Release. In order to receive any of the payments or benefits set forth in Section 3 of this Agreement, the Executive must sign (and not revoke) a release of claims in favor of the Company on a form that is satisfactory to the Company within 45 days of the Date of Termination.

(h) Resignation from all Positions. Effective as of the Date of Termination, the Executive shall resign from all positions the Executive then holds with the Company and its Subsidiaries and affiliates (including, without limitation, as an employee, officer, director or board committee member of the Company and its Subsidiaries and affiliates) and the Company shall take any actions to effect such resignation.

SECTION 3. OBLIGATIONS OF THE COMPANY UPON TERMINATION.

(a) Termination Other Than for Death or Disability During the Change in Control Employment Period (i) Other Than for Cause or (ii) for Change in Control Good Reason. If, during the Change in Control Employment Period, the Company shall terminate the Executive’s employment other than for Cause or the Executive shall terminate employment for Change in Control Good Reason (and the Executive’s employment is not terminated by reason of death or Disability):

(i) The Company shall pay to the Executive the aggregate of the following amounts:

(A) the sum of (1) the Executive’s Annual Base Salary through the Date of Termination to the extent not theretofore paid, (2) the product of (x) the Target Bonus and (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 (the “Pro-Rata Bonus”) and (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2), and (3) shall be hereinafter referred to as the “Accrued Obligations”); and

(B) the amount equal to the product of (1) two and (2) the sum of (x) the Executive's Annual Base Salary and (y) the Target Bonus.

Subject to Section 10(c), the payments described in this Section 3(a)(i) shall be paid to the Executive in a lump sum payment within 60 days after the Date of Termination.

(ii) For 24 months after the Executive's Date of Termination or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy, the Company shall continue Welfare Benefits to the Executive and/or the Executive's family; provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. Notwithstanding the foregoing, if and to the extent providing such continued Welfare Benefits would result in imposition on the Company of the tax under Section 4980D of the Code or otherwise violate applicable law, the Company shall provide cash payments to the Executive sufficient, on an after-tax basis, to enable the Executive to purchase the affected coverage;

(iii) All options acquired under the Company's Stock Plans or agreement with the Company that have not vested in accordance with the terms and conditions of the grant, award or purchase, shall become 100% vested and all options shall continue to be exercisable for 12 months following the Date of Termination; all Performance Shares and PSUs shall be treated in accordance with the terms of the award agreement evidencing such grant; and all RSUs shall become 100% vested and the shares of common stock of the Company shall be delivered to the Executive within 60 days after the Date of Termination;

(iv) The Company shall, at its sole expense as incurred, provide the Executive with outplacement services for a period of 12 months following the Date of Termination, the scope and provider of which shall be selected by the Company (the "Outplacement Benefits"); and

(v) To the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall be hereinafter referred to as the "Other Benefits").

(b) Termination Other Than for Death or Disability During the Employment Period (i) Other Than for Cause or (ii) for Good Reason. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or the Executive shall terminate employment for Good Reason (and the Executive's employment is not terminated by reason of death or Disability):

(i) The Company shall pay to the Executive the aggregate of the following amounts:

(A) The Accrued Obligations; provided that the Pro-Rata Bonus shall be measured based on actual performance through the end of the fiscal year; and

(B) the amount equal to the product of (1) 1.5 and (2) the sum of (x) the Executive's Annual Base Salary and (y) the Target Bonus.

Subject to Section 10(c), the Accrued Obligations (other than the Pro-Rata Bonus) shall be paid to the Executive in a lump sum payment within 60 days after the Date of Termination, the Pro-Rata Bonus shall be paid on the date such bonus is paid to similarly situated employees of the Company and the payments described in Section 3(b)(i)(B) shall be paid in equal installments over 18 months following the Date of Termination starting 60 days after the Date of Termination.

(ii) For 18 months after the Executive's Date of Termination, if the Executive properly elects to continue the Company's group health plan coverage as is the Executive's right under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall pay the portion of the COBRA premiums for Executive and/or the Executive's family equal to the percentage share of medical premiums the Company paid for the Executive and/or the Executive's family prior to the Date of Termination; provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical or other welfare benefits under another employer provided plan, the medical and other welfare benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. Notwithstanding the foregoing, if and to the extent providing such COBRA premium payments would result in imposition on the Company of the tax under Section 4980D of the Code or otherwise violate applicable law, the Company shall provide cash payments to the Executive sufficient, on an after-tax basis, to enable the Executive to purchase the affected coverage;

(iii) An additional portion of options acquired under the Company's Stock Plans or agreement with the Company that have not vested in accordance with the terms and conditions of the grant, award or purchase, shall become vested equal to the amount of vesting that would have occurred if the Executive had continued working for the Company for an additional 18 months after the Date of Termination and all options shall continue to be exercisable for 180 days following the Date of Termination; and an additional portion of the RSUs granted pursuant to Section 3 of the Offer Letter that have not vested in accordance with the terms and conditions of such grant shall become vested equal to the amount of vesting that would have occurred if the Executive had continued working for the Company for an additional 18 months after the Date of Termination and the shares of common stock of the Company shall be delivered to the Executive within 60 days after the Date of Termination; and an additional portion of the Performance Vested RSUs granted pursuant to Section 4 of the Offer Letter that have not vested in accordance with the terms and conditions of such grant shall become vested equal to the 100% of the amount of vesting that would have occurred if the Executive had continued working for the Company for an additional 120 days after the Date of Termination; and

(iv) The Company shall provide to the Executive the Outplacement Benefits and the Other Benefits.

(c) Termination for Cause. If the Executive's employment shall be terminated for Cause during the Employment Period or the Change in Control Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) the Executive's Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive, including vested RSUs, and (z) Other Benefits, in each case to the extent theretofore unpaid. In such case, all amounts due and owing to the Executive pursuant to this Section 3(c) shall be paid to the Executive in a lump sum in cash or, in the case of RSUs, in shares of common stock of the Company, within 30 days of the Date of Termination.

(d) Voluntary Termination. If the Executive voluntarily terminates employment during the Employment Period, other than for Good Reason, or during the Change in Control Employment Period, other than for Change in Control Good Reason, this Agreement shall terminate without further obligations to the Executive other than for Accrued Obligations and the timely payment or provision of Other Benefits; provided that if such termination occurs during the Employment Period, the Executive shall not receive a prorated Target Bonus. In such case, all amounts due and owing to the Executive pursuant to this Section 3(d) shall be paid to the Executive in a lump sum in cash or, in the case of RSUs, in shares of common stock of the Company, within 30 days of the Date of Termination. Notwithstanding the foregoing, in the event of the Executive's Retirement,

(i) The Executive shall be entitled to continued vesting in all of his outstanding unvested awards that are granted after July 15, 2030 and before December 31, 2035 (or such later date after December 31, 2035 as shall have been mutually agreed upon by Executive and the Company through amendment of this Agreement) under the Company's Amended and Restated 2010 Stock Incentive Plan and any other stock based incentive plan of the Company (including but not limited to stock option, restricted stock unit and performance share awards), with such awards to become vested, exercisable and/or payable at the same time or times and under the same conditions as are provided in the applicable award agreements as if the Executive continued to be employed by the Company following the date of his Retirement; and

(ii) Any outstanding stock option awards that are granted after July 15, 2030 and before December 31, 2035 (or such later date after December 31, 2035 as shall have been mutually agreed upon by Executive and the Company through amendment of this Agreement) and that are either vested as of the date of the Executive's Retirement or become vested after such date pursuant to clause (i) above shall be exercisable at any time during the remainder of the original term of the stock options as set forth in the applicable award agreements; provided, however, that the benefits under clauses (i) and (ii) of this sentence shall be subject in each case to the Executive's continued compliance after his Retirement with the covenants in Section 7 of this Agreement.

(e) Death or Disability. If the Executive's employment is terminated during the Employment Period or the Change in Control Employment Period due to the death or Disability of the Executive, this Agreement shall terminate without further obligations to the Executive other than for Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all amounts due and owing to the Executive or the Executive's estate, as the case may be, pursuant to this Section 3(e) shall be paid to the Executive or the Executive's estate in a lump sum in cash within 30 days of the receipt by the Company of written notice of the Executive's death from the executor of the Executive's estate or the Disability Effective Date.

SECTION 4. SECTION 280G.

(a) Basic Rule. Notwithstanding anything in this Agreement to the contrary, in the event that the independent auditors most recently selected by the Board (the "**Auditors**") determine that any payment or distribution of any type to or for the benefit of the Executive by the Company under this Agreement or any other plan of or agreement with the Company (each, a "**Payment**") is or will be subject to the excise tax imposed under Section 4999 of the Code (the "**Excise Tax**"), then the Payments shall be reduced (but not below zero) if and to the extent that a reduction in the Payments would result in the Executive retaining a larger amount, on an after-tax basis (taking into account federal, state and local income taxes and the Excise Tax) than if the Executive received the entire amount of such Payments. The determination of which of the Payments are to be reduced shall be made in a manner consistent with the provisions of Section 4(b).

(b) Reduction of Payments. If the Auditors determine that any Payments would be subject to the Excise Tax, which calculation shall occur at the time of the Change in Control, then the Company shall promptly give the Executive notice to that effect and a copy of the detailed calculation thereof and of any reduction in Payments needed to comply with Section 4(a), and the Executive may then elect, in the Executive's sole discretion, which and how much of such Payments shall be eliminated or reduced and shall advise the Company in writing of the Executive's election within 10 days of receipt of notice. If no such election is made by the Executive within such 10-day period, then the Company may decide which and how much of such Payments shall be eliminated or reduced in order to comply with Section 4(a) and shall notify the Executive promptly of such decision. For purposes of this Section 4, present value shall be determined in accordance with section 280G(d)(4) of the Code. All determinations made by the Auditors under this Section 4 shall be binding upon the Company and the Executive and shall be made within 60 days of the date when a Payment becomes payable or transferable. As promptly as practicable following such determination and the elections hereunder, the Company shall pay or transfer to or for the benefit of the Executive such amounts as are then due to the Executive under this Agreement and shall promptly pay or transfer to or for the benefit of the Executive in the future such amounts as become due to the Executive under this Agreement.

(c) Overpayments and Underpayments. As a result of uncertainty in the application of section 280G of the Code at the time of an initial determination by the Auditors hereunder, it is possible that Payments will have been made by the Company that should not have been made (an "**Overpayment**") or that additional Payments that will not have been made by the Company could have been made (an "**Underpayment**"), consistent in each case with the calculation of the maximum amount permitted to be paid under Section 4(a). In the event that the Auditors, based upon the assertion of a deficiency by the Internal Revenue Service against the Company or the Executive that the Auditors believe has a high probability of success, determine that an Overpayment has been made, such Overpayment shall be treated for all purposes as a loan to the Executive which he or she shall repay to the Company, together with interest at the applicable federal rate provided in section 7872(f)(2) of the Code; provided, however, that no amount shall be payable by the Executive to the Company if and to the extent that such payment would not reduce the Company's Federal income tax liability under section 280G of the Code. In the event that the Auditors determine that an Underpayment has occurred, such Underpayment shall promptly be paid or transferred by the Company to or for the benefit of the Executive, together with interest at the applicable federal rate provided in section 7872(f)(2) of the Code.

(d) Waiver of Limitation. At any time, and in its sole discretion, the Company's Compensation Committee of the Board may elect to waive, in whole or in part, the reduction of a Payment to be made pursuant to this Agreement, notwithstanding the determination that such Payment will be nondeductible by the Company for federal income tax purposes because of section 280G of the Code.

(e) Related Corporations. For purposes of this Section 4, the term "Company" shall include affiliated corporations to the extent determined by the Auditors in accordance with section 280G(d)(5) of the Code.

SECTION 5. NON-EXCLUSIVITY OF RIGHTS.

Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to Section 9(f), shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement except as explicitly modified by this Agreement.

SECTION 6. FULL SETTLEMENT.

The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others (other than pursuant to Section 7(d) of this Agreement). In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. In the event of any contest or dispute about the provisions of this Agreement that arises prior to a Change in Control, the Company agrees to reimburse, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of such contest to the extent the Executive substantially prevails in such contest. In the event of any contest or dispute about the provisions of this Agreement that arises after a Change in Control, the Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of such contest (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment at the applicable Federal rate provided for in section 7872(f)(2) (A) of the Code; provided that, if it is ultimately determined that such contest is brought by the Executive in bad faith, then the Executive shall repay any such payments made to the Executive.

SECTION 7. COVENANTS.

(a) The Executive represents and warrants to the Company that the performance of the Executive's duties will not violate any agreements with or trade secrets of any other person or entity or previous employers, including, without limitation, agreements containing provisions against solicitation or competition. The Executive has provided the Company with a copy of any agreements that could restrict the Executive's activities in the course of the Executive's employment with the Company. The Executive represents and warrants to the Company that there is no other agreement that could restrict his activities in the course of his employment with the Company, it being understood that the Executive may execute any document re-affirming Executive's confidentiality obligations to any prior employer. The Company's offer of employment is based on the accuracy of the Executive's representation and warranty and a violation of this Section 7(a) shall be grounds for termination with Cause.

(b) During the Executive's employment with the Company and for two (2) years after the termination of the Executive's employment for any reason, the Executive agrees that, without the prior express written consent of the Company, the Executive shall not, anywhere in the world, for his own benefit or for, with or through any other person, firm, partnership, corporation or other entity or individual (other than the Company or its affiliates) as or in the capacity of an owner, shareholder, employee, consultant, director, officer, trustee, partner, agent, independent contractor and/or in any other representative capacity or otherwise:

(i) personally (or personally direct another to) solicit or hire (A) any employee of the Company or its affiliates at the time of such solicitation or hiring or (B) any former employee of the Company or its affiliates who had such relationship within six (6) months prior to the date of such solicitation or hiring, including but not limited to attempting to induce any such employee of the Company or its affiliates to leave the employ of the Company; or

(ii) personally (or personally direct another to) disparage the Company, any of its products or practices, or any of its directors, officers, agents, representatives, owners or employees, either orally or in writing; provided, that the Executive may confer in confidence with his legal representatives and make truthful statements as required by law. Neither the Company nor its officers or directors will disparage the Executive; provided that it or they may confer in confidence with their respective legal representatives and make truthful statements as required by law.

For purposes of this Section 7(b), the term "solicit" means any communication of any kind whatsoever, regardless of by whom initiated, inviting, encouraging or requesting any person or entity to take or refrain from taking any action.

(c) The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 7 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement. The Executive also agrees to comply with the terms set forth in the Confidential Information and Invention Assignment Agreement.

(d) If at any time prior to the date that is 365 days after the Executive's Date of Termination, the Executive breaches any provision of Sections 7(a), 7(b) or 7(c) of this Agreement in more than a minor, de minimis or trivial manner, then (i) the Executive shall forfeit all of his unexercised Company stock options or stock appreciation rights, unvested Company restricted stock, unvested Company restricted stock units (including unvested RSUs) and unvested Performance Shares, and (ii) the gain or income realized within the twenty-four (24) months prior to such breach from (A) the exercise of any Company stock options or stock appreciation rights, (B) the vesting of any Company restricted stock or other Company equity based awards, (C) the vesting and settlement of any Performance Shares, or (D) the vesting of restricted stock units, by the Executive from such event shall be paid by the Executive to the Company upon notice from the Company (for purposes of this Section 7(d), the exercise of incentive stock options and the vesting of restricted stock units shall be treated as a realization event). Such gain shall be determined on a gross basis, without reduction for any taxes incurred, as of the date of such event, and without regard to any subsequent change in the Fair Market Value (as defined below) of a share of Company common stock. The Company shall have the right to offset such gain against any amounts otherwise owed to the Executive by the Company (whether as wages, vacation pay, or pursuant to any benefit plan or other compensatory arrangement); provided this will not apply to "nonqualified deferred compensation" to the extent that would violate Section 409A rules. For purposes of this Section 7(d), the "Fair Market Value" of a share of Company common stock on any date shall be (i) the closing sale price per share of Company common stock during normal trading hours on the national securities exchange on which the Company common stock is principally traded for such date or the last preceding date on which there was a sale of such Company common stock on such exchange or (ii) if the shares of Company common stock are then traded on any over-the-counter market, the average of the closing bid and asked prices for the shares of Company common stock during normal trading hours in such over-the-counter market for such date or the last preceding date on which there was a sale of such Company common stock in such market, or (iii) if the shares of Company common stock are not then listed on a national securities exchange or traded in an over-the-counter market, such value as the Compensation Committee shall determine in good faith. Notwithstanding the foregoing, this Section 7(d) shall not apply in the event that after a Change in Control the Executive's employment with the Company is terminated either (i) by the Company without Cause or (ii) by the Executive for Change in Control Good Reason.

(e) Any termination of the Executive's employment or of this Agreement shall have no effect on the continuing operation of this Section 7.

(f) The Executive acknowledges and agrees that the Company will have no adequate remedy at law, and could be irreparably harmed, if the Executive breaches or threaten to breach any of the provisions of this Section 7. The Executive agrees that the Company shall be entitled to equitable and/or injunctive relief to prevent any breach or threatened breach of this Section 7, and to specific performance of each of the terms hereof in addition to any other legal or equitable remedies that the Company may have. The Executive further agrees that he shall not, in any equity proceeding relating to the enforcement of the terms of this Section 7, raise the defense that the Company has an adequate remedy at law.

(g) The terms and provisions of this Section 7 are intended to be separate and divisible provisions and if, for any reason, any one or more of them is held to be invalid or unenforceable, neither the validity nor the enforceability of any other provision of this Agreement shall thereby be affected. The parties hereto acknowledge that the potential restrictions on the Executive's future employment imposed by this Section 7 are reasonable in both duration and geographic scope and in all other respects. If for any reason any court of competent jurisdiction shall find any provisions of this Section 7 unreasonable in duration or geographic scope or otherwise, the Executive and the Company agree that the restrictions and prohibitions contained herein shall be effective to the fullest extent allowed under applicable law in such jurisdiction.

(h) The parties acknowledge that the Offer Letter and this Agreement would not have been entered into and the benefits described herein and therein would not have been promised in the absence of the Executive's promises under this Section 7.

SECTION 8. SUCCESSORS.

(a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company or the relevant Business Unit to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company or such Business Unit would be required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law, or otherwise.

SECTION 9. MISCELLANEOUS.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

at the Executive's current address as shown on the records of the Company.

If to the Company:

Incyte Corporation
1801 Augustine Cut-Off
Wilmington, DE 19803
Attention: General Counsel

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 2(c) or Change in Control Good Reason pursuant to Section 2(d) of this Agreement, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, prior to the Change in Control, the Executive's employment and/or this Agreement may be terminated by either the Executive or the Company at any time, in which case the Executive shall have no further rights under this Agreement except as expressly set forth in Section 3 hereof. This Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof (provided that it shall not supersede the Company's obligations in the Offer Letter or the Executive's obligations under the Confidential Information and Invention Assignment Agreement).

(g) The Executive will be covered under the Company's standard Indemnification Agreement and by the Company's D&O Insurance Policy to the same extent as are any other active officers of the Company.

(h) Should any disputes, claims, complaints, or causes of action occur between Executive and the Company (the "**Parties**") which arise out of, are related to, or connected with, either or directly or indirectly, the interpretation, application, or alleged violation of this Agreement, or which arise out of any other professional, personal or business dealings or relationships between the Parties, they shall all be resolved in arbitration in accordance with the rules and procedures of JAMS (Judicial Arbitration and Mediation Services), New York Times Building, 620 8th Avenue, New York, NY 10018 (212-751-2700). The Parties voluntarily and knowingly acknowledge their understanding that under this provision for arbitration they are waiving (i.e., giving up) their right to bring a law suit in a court of law and to have a judge and a trial by jury to resolve any of these claims/disputes/causes of action between them. If any arbitration is brought by any Party under this Agreement and under the Offer Letter, then both arbitrations shall be consolidated into one and shall be heard by one arbitrator in a single arbitration proceeding. Any arbitration proceeding shall be held in Wilmington, Delaware. Any decision as to the scope and nature of Executive's duties shall be made by the Board, in its sole discretion, and shall not be subject to any dispute resolution.

SECTION 10. CODE SECTION 409A COMPLIANCE.

(a) To the fullest extent applicable, amounts and other benefits payable under this Agreement are intended to be exempt from the definition of "nonqualified deferred compensation" under section 409A of the Code ("**Section 409A**") in accordance with one or more of the exemptions available under the final Treasury regulations promulgated under Section 409A and, to the extent that any such amount or benefit is or becomes subject to Section 409A due to a failure to qualify for an exemption from the definition of nonqualified deferred compensation in accordance with such final Treasury regulations, this Agreement is intended to comply with the applicable requirements of Section 409A with respect to such amounts or benefits. This Agreement shall be interpreted and administered to the extent possible in a manner consistent with the foregoing statement of intent.

(b) Notwithstanding anything in this Agreement or elsewhere to the contrary, for purposes of determining the payment date of any amounts that are treated as nonqualified deferred compensation under Section 409A of the Code that become payable under this Agreement in connection with a termination of employment, the Date of Termination shall be the date on which the Executive has incurred a "separation from service" within the meaning of Treasury Regulation section 1.409A-1(h), or in subsequent IRS guidance under Code section 409A.

(c) Notwithstanding anything in this Agreement or elsewhere to the contrary, if the Company reasonably determines that (A) the Executive is a “specified employee” (within the meaning of Treasury Regulation Section 1.409A-1(i)) on the Executive’s Date of Termination and (B) commencement of any payments or other benefits payable under this Agreement in connection with the Executive’s separation from service, including without limitation, payment of any of the payments on the scheduled payment dates specified in Section 3, will subject the Executive to an “additional tax” under Section 409A(a)(1)(B) (together with any interest or penalties imposed with respect to, or in connection with, such tax, a “**Section 409A Tax**”), then the Company shall withhold payment of any such payments or benefits until the first business day of the seventh month following the date of the Executive’s Date of Termination or, if earlier, the date of the Executive’s death (the “**Delayed Payment Date**”). In the event that this Section 10(c) requires any payments to be withheld, such withheld payments shall be accumulated and paid in a single lump sum, with interest at the applicable federal rate provided in section 7872(f)(2) of the Code, on the Delayed Payment Date.

(d) In each case where this Agreement provides for the payment of an amount that constitutes nonqualified deferred compensation under Section 409A to be made to the Executive within a designated period (e.g., within 30 days after the Date of Termination) and such period begins and ends in different calendar years, the exact payment date within such range shall be determined by the Company, in its sole discretion, and the Executive shall have no right to designate the year in which the payment shall be made.

(e) The Company and the Executive may agree to take other actions to avoid the imposition of a Section 409A Tax at such time and in such manner as permitted under Section 409A.

This Agreement may be executed in counterparts, each of which is deemed an original, but all of which constitute one and the same agreement.

(Signature Page for Employment Agreement)

IN WITNESS WHEREOF, the Executive and the Company, through its duly authorized Officer, have executed this Agreement as of the day and year first above written.

EXECUTIVE

/s/ William J. Meury

COMPANY

/s/ Julian C. Baker

By: Julian C. Baker
Lead Independent Director
of the Board of Directors

INCYTE CORPORATION

2024 Inducement Stock Incentive Plan

(As Amended on June 25, 2025)

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INCYTE CORPORATION

2024 Inducement Stock Incentive Plan

SECTION 1. ESTABLISHMENT AND PURPOSE.

The Plan was adopted by the Board of Directors on January 22, 2024 and amended on June 25, 2025. The purpose of the Plan is to enhance the Corporation's ability to attract new Employees who are expected to make important contributions to the Corporation by providing such persons with equity ownership opportunities that are intended promote the long-term success of the Corporation and the creation of stockholder value. The Plan seeks to achieve this purpose by providing for Awards in the form of Restricted Shares, Restricted Stock Units, Performance Shares, Options (which shall constitute NSOs) and SARs. The Corporation intends that the Plan be reserved for prospective Employees to whom the Corporation may issue securities without stockholder approval as an inducement pursuant to Nasdaq Listing Rule 5635(c)(4), or any successor rule.

SECTION 2. DEFINITIONS.

- (a) *"Affiliate"* shall mean any entity other than a Subsidiary, if the Corporation and/or one or more Subsidiaries own not less than 50% of such entity.
- (b) *"Award"* shall mean any award of an Option, a SAR, Restricted Shares, Restricted Stock Units or Performance Shares under the Plan.
- (c) *"Board of Directors"* shall mean the Board of Directors of the Corporation, as constituted from time to time.
- (d) *"Change in Control"* shall mean the occurrence of any of the following events:
 - (i) A change in the composition of the Board of Directors, as a result of which fewer than one-half of the incumbent directors are directors who either:
 - (A) Had been directors of the Corporation 24 months prior to such change; or
 - (B) Were elected, or nominated for election, to the Board of Directors with the affirmative votes of at least a majority of the directors who had been directors of the Corporation 24 months prior to such change and who were still in office at the time of the election or nomination; or
 - (ii) Any "person" (as defined below) by the acquisition or aggregation of securities is or becomes the beneficial owner (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Corporation representing 50% or more of the combined voting power of the Corporation's then outstanding securities ordinarily (and apart from rights accruing under special circumstances) having the right to vote at elections of directors (the "Base Capital Stock"); except that any change in the relative beneficial ownership of the Corporation's securities by any person resulting solely from a reduction in the aggregate number of outstanding shares of Base Capital Stock, and any decrease thereafter in such person's ownership of securities, shall be disregarded until such person increases in any manner, directly or indirectly, such person's beneficial ownership of any securities of the Corporation; or

- (iii) The consummation of a merger or consolidation of the Corporation with or into another entity or any other corporate reorganization, if persons who were not stockholders of the Corporation immediately prior to such merger, consolidation or other reorganization own immediately after such merger, consolidation or other reorganization 50% or more of the voting power of the outstanding securities of (A) the continuing or surviving entity and (B) any direct or indirect parent corporation of such continuing or surviving entity; or
- (iv) The consummation of the sale, transfer or other disposition of all or substantially all of the assets of the Corporation.

For purposes of subsection (d)(ii) above, the term “person” shall have the same meaning as when used in Sections 13(d) and 14(d) of the Exchange Act but shall exclude (1) a trustee or other fiduciary holding securities under an employee benefit plan maintained by the Corporation or a Parent or Subsidiary and (2) a corporation owned directly or indirectly by the stockholders of the Corporation in substantially the same proportions as their ownership of the Stock.

Any other provision of this Section 2(d) notwithstanding, a transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Corporation’s incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Corporation’s securities immediately before such a transaction.

(e) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(f) “Committee” shall mean the Compensation Committee of the Board of Directors, or such other committee comprised of a majority of the Independent Directors that has been designated by the Board of Directors to administer the Plan, as described in Section 3 hereof.

(g) “Corporation” shall mean Incyte Corporation, a Delaware corporation.

(h) “Consultant” shall mean a consultant or advisor who provides bona fide services to the Corporation, a Parent, a Subsidiary or an Affiliate as an independent contractor (not including service as a member of the Board of Directors) or a member of the board of directors of a Parent or a Subsidiary, in each case who is not an Employee.

(i) “*Employee*” shall mean any individual who is a common-law employee of the Corporation, a Parent, a Subsidiary or an Affiliate.

(j) “*Exchange Act*” shall mean the Securities Exchange Act of 1934, as amended.

(k) “*Exercise Price*” shall mean (a) in the case of an Option, the amount for which one Share may be purchased upon exercise of such Option, as specified in the applicable Stock Option Agreement, and (b) in the case of a SAR, an amount, as specified in the applicable SAR Agreement, which is subtracted from the Fair Market Value of one Share in determining the amount payable upon exercise of such SAR.

(l) “*Fair Market Value*” with respect to a Share, shall mean the market price of one Share, determined by the Committee as follows:

- (i) If the Stock was traded on The Nasdaq Stock Market, then the Fair Market Value shall be equal to the last reported sale price reported for such date by The Nasdaq Stock Market; or
- (ii) If the Stock was not traded on The Nasdaq Stock Market but was traded on another United States stock exchange on the date in question, then the Fair Market Value shall be equal to the closing price reported for such date by the applicable composite-transactions report; or
- (iii) If the Stock was traded over-the-counter on the date in question, then the Fair Market Value shall be equal to the last reported sale price reported for such date by the OTC Bulletin Board or, if not so reported, shall be equal to the closing sale price quoted for such date by OTC Markets Group Inc. or similar organization or, if no last reported or closing sale price is reported, shall be equal to the mean between the last reported representative bid and asked prices quoted for such date by the OTC Bulletin Board or, if the Stock is not quoted on the OTC Bulletin Board, by OTC Markets Group Inc. or similar organization; or
- (iv) If none of the foregoing provisions is applicable, then the Fair Market Value shall be determined by the Committee in good faith on such basis as it deems appropriate.

In all cases, the determination of Fair Market Value by the Committee shall be conclusive and binding on all persons.

(m) “*Independent Director*” shall mean an Outside Director who qualifies as “independent” within the meaning of Nasdaq Listing Rule 5605(a)(2), or any successor rule.

- (n) “*Nonstatutory Option*” or “*NSO*” shall mean an employee stock option that is not an incentive stock option described in Section 422 of the Code.
- (o) “*Offeree*” shall mean an individual to whom the Committee has offered the right to acquire Shares under the Plan (other than upon exercise of an Option).
- (p) “*Option*” shall mean a Nonstatutory Option granted under the Plan and entitling the holder to purchase Shares.
- (q) “*Optionee*” shall mean an individual or estate who holds an Option or SAR.
- (r) “*Outside Director*” shall mean a member of the Board of Directors who is not an Employee or a Consultant.
- (s) “*Parent*” shall mean any corporation or other entity (other than the Corporation) in an unbroken chain of corporations or other entities ending with the Corporation, if each of the corporations or other entities other than the Corporation owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation or other entity that attains the status of a Parent on a date after the adoption of the Plan shall be a Parent commencing as of such date.
- (t) “*Participant*” shall mean an individual or estate who holds an Award.
- (u) “*Performance Shares*” shall mean a bookkeeping entry representing the Corporation’s obligation to deliver Shares (or distribute cash) on a future date in accordance with the provisions of a Performance Share Agreement.
- (v) “*Performance Share Agreement*” shall mean the agreement between the Corporation and the recipient of Performance Shares that contains the terms, conditions and restrictions pertaining to such Performance Shares.
- (w) “*Plan*” shall mean this 2024 Inducement Stock Incentive Plann of Incyte Corporation, as amended from time to time.
- (x) “*Purchase Price*” shall mean the consideration for which one Share may be acquired under the Plan (other than upon exercise of an Option), as specified by the Committee.
- (y) “*Qualifying Performance Criteria*” shall have the meaning set forth in Section 16(b).
- (z) “*Restricted Share*” shall mean a Share awarded under the Plan and subject to the terms, conditions and restrictions set forth in a Restricted Share Agreement.
- (aa) “*Restricted Share Agreement*” shall mean the agreement between the Corporation and the recipient of a Restricted Share that contains the terms, conditions and restrictions pertaining to such Restricted Shares.

(bb) “*Restricted Stock Unit*” shall mean a bookkeeping entry representing the Corporation’s obligation to deliver one Share (or distribute cash) on a future date in accordance with the provisions of a Restricted Stock Unit Agreement.

(cc) “*Restricted Stock Unit Agreement*” shall mean the agreement between the Corporation and the recipient of a Restricted Stock Unit that contains the terms, conditions and restrictions pertaining to such Restricted Stock Unit.

(dd) “*SAR*” shall mean a stock appreciation right granted under the Plan.

(ee) “*SAR Agreement*” shall mean the agreement between the Corporation and an Optionee that contains the terms, conditions and restrictions pertaining to his or her SAR.

(ff) “*Service*” shall mean service as an Employee, Consultant or Outside Director, subject to such further limitations as may be set forth in the Plan or the applicable Stock Option Agreement, SAR Agreement, Restricted Share Agreement, Restricted Stock Unit Agreement or Performance Share Agreement. Service does not terminate when an Employee goes on a bona fide leave of absence, that was approved by the Corporation in writing, if the terms of the leave provide for continued Service crediting, or when continued Service crediting is required by applicable law. However, for purposes of determining whether an Option is entitled to ISO status, an Employee’s employment will be treated as terminating 90 days after such Employee went on leave, unless such Employee’s right to return to active work is guaranteed by law or by a contract. Service terminates in any event when the approved leave ends, unless such Employee immediately returns to active work. The Corporation shall be entitled to determine in its sole discretion which leaves of absence count toward Service, and when Service terminates for all purposes under the Plan.

(gg) “*Share*” shall mean one share of Stock, as adjusted in accordance with Section 12 (if applicable).

(hh) “*Stock*” shall mean the common stock of the Corporation, \$.001 par value per share.

(ii) “*Stock Option Agreement*” shall mean the agreement between the Corporation and an Optionee that contains the terms, conditions and restrictions pertaining to such Option.

(jj) “*Subsidiary*” shall mean any corporation, if the Corporation or one or more other Subsidiaries own not less than 50% of the total combined voting power of all classes of outstanding stock of such corporation. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

(kk) “*Total and Permanent Disability*” shall mean that the Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last for a continuous period of not less than one year.

SECTION 3. ADMINISTRATION.

(a) *Committee Composition.* The Plan shall be administered by the Compensation Committee of the Board of Directors or a Committee appointed by the Board of Directors that is comprised of a majority of the Independent Directors. In addition, to the extent required by the Board of Directors, the composition of the Committee shall satisfy (i) such requirements as the Securities and Exchange Commission may establish for administrators acting under plans intended to qualify for exemption under Rule 16b-3 (or its successor) under the Exchange Act; and (ii) such other applicable independence standards imposed by law, regulation or listing standard.

(b) *Committee Procedures.* The Board of Directors shall designate one of the members of the Committee as chairman. The Committee may hold meetings at such times and places as it shall determine. The acts of a majority of the Committee members present at meetings at which a quorum exists, or acts reduced to or approved in writing (including via email) by all Committee members, shall be valid acts of the Committee.

(c) *Committee Responsibilities.* Subject to the provisions of the Plan, the Committee shall have full authority and discretion to take the following actions:

- (i) To interpret the Plan and to apply its provisions;
- (ii) To adopt, amend or rescind rules, procedures and forms relating to the Plan;
- (iii) To adopt, amend or terminate sub-plans established for the purpose of satisfying applicable foreign laws, including qualifying for preferred tax treatment under applicable foreign tax laws;
- (iv) To authorize any person to execute, on behalf of the Corporation, any instrument required to carry out the purposes of the Plan;
- (v) To determine when Awards are to be granted under the Plan;
- (vi) To select the Offerees and Optionees;
- (vii) To determine the number of Shares to be made subject to each Award;
- (viii) To prescribe the terms and conditions of each Award, including the Exercise Price, the Purchase Price, the performance criteria, the performance period, and the vesting or duration of the Award (including accelerating the vesting of Awards, either at the time of the Award or thereafter, without the consent of the Participant), and to specify the provisions of the agreement relating to such Award;

- (ix) To amend any outstanding Award agreement, subject to applicable legal restrictions and to the consent of the Participant if the Participant's rights or obligations would be materially impaired;
- (x) To prescribe the consideration for the grant of each Award or other right under the Plan and to determine the sufficiency of such consideration;
- (xi) To determine the disposition of each Award or other right under the Plan in the event of a Participant's divorce or dissolution of marriage;
- (xii) To determine whether Awards under the Plan will be granted in replacement of other grants under an incentive or other compensation plan of an acquired business;
- (xiii) To correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award agreement;
- (xiv) To establish, adjust or verify the extent of satisfaction of any performance goals or other conditions applicable to the grant, issuance, exercisability, vesting and/or ability to retain any Award; and
- (xv) To take any other actions deemed necessary or advisable for the administration of the Plan.

Subject to the requirements of applicable law, the Committee may designate persons other than members of the Committee to carry out its responsibilities and may prescribe such conditions and limitations as it may deem appropriate, except that the Committee may not delegate its authority with regard to the selection for participation of or the granting of Awards under the Plan to persons subject to Section 16 of the Exchange Act. All decisions, interpretations and other actions of the Committee shall be final and binding on all Participants, and all persons deriving their rights from a Participant. No member of the Committee shall be liable for any action that he or she has taken or has failed to take in good faith with respect to the Plan or any Award.

SECTION 4. ELIGIBILITY.

Grants of Awards under the Plan shall be made only to prospective Employees who were not previously an Employee or Outside Director, or who are commencing employment following a bona fide period of non-employment, as an inducement material to their entering into employment with the Corporation, a Parent, a Subsidiary or an Affiliate. Such grants are intended to qualify as inducement grants for which stockholder approval is not required pursuant to Nasdaq Listing Rule 5635(c)(4).

SECTION 5. STOCK SUBJECT TO PLAN.

(a) *Basic Limitation.* Shares offered under the Plan shall be authorized but unissued Shares. The aggregate number of Shares authorized for issuance as Awards under the Plan shall not exceed 2,000,000. The limitation of this Section 5(a) shall be subject to adjustment pursuant to Section 12. Any Shares issued in connection with any type of Award shall be counted against this limitation as one Share for every one Share so issued. The number of Shares that are subject to Awards outstanding at any time under the Plan shall not exceed the number of Shares which then remain available for issuance under the Plan. The Corporation, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan. Shares tendered or withheld in full or partial payment of the Exercise Price of an Award or to satisfy tax withholding obligations in connection with an Award, and Shares issued under an Award that are purchased by the Corporation on the open market, shall not be available for future issuance under the Plan.

(b) *Additional Shares.* If an Award expires or becomes unexercisable without having been exercised in full, or, with respect to Restricted Shares, Restricted Stock Units or Performance Shares, is forfeited to the Corporation due to failure to vest, the unpurchased Shares (or for Awards other than Options or SARs the forfeited Shares) which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). With respect to SARs, when a stock settled SAR is exercised, all of the Shares subject to the SAR shall be counted against the number of Shares available for future grant or sale under the Plan, regardless of the number of Shares actually issued pursuant to such exercise. Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if Shares issued pursuant to Awards of Restricted Shares, Restricted Stock Units or Performance Shares are forfeited to the Corporation, such Shares will become available for future grant under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan.

SECTION 6. RESTRICTED SHARES.

(a) *Restricted Share Agreement.* Each grant of Restricted Shares under the Plan shall be evidenced by a Restricted Share Agreement between the recipient and the Corporation. Such Restricted Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Restricted Share Agreements entered into under the Plan need not be identical.

(b) *Payment for Awards.* Restricted Shares may be sold or awarded under the Plan for such consideration as the Committee may determine, including cash, cash equivalents, full-recourse promissory notes, past services and future services.

(c) *Vesting.* Each Award of Restricted Shares shall vest over a minimum period of three years of the Participant's Service, subject to Section 16(c). Vesting shall occur, in full or in installments, upon satisfaction of such Service requirement and such other conditions specified in the Restricted Share Agreement. A Restricted Share Agreement may provide for accelerated vesting in the event of the Participant's death, Total and Permanent Disability or retirement or other events. The Committee may determine, at the time of granting Restricted Shares or thereafter, that all or part of such Restricted Shares shall become vested upon a Change in Control. Except as may be set forth in a Restricted Share Agreement, vesting of the Restricted Shares shall cease on the termination of the Participant's Service.

(d) *Voting and Dividend Rights.* The holders of Restricted Shares awarded under the Plan shall have the same voting and other rights as the Corporation's other stockholders; provided, however, that the holders of Restricted Shares shall not receive payment of any dividends on their Restricted Shares while such Restricted Shares are unvested. Payment of any such dividends shall be subject to the same vesting requirements and other conditions and restrictions as the Restricted Shares to which they relate. A Restricted Share Agreement may require that any such cash dividends be invested in additional Restricted Shares, which shall be subject to the same conditions and restrictions as the Restricted Shares to which the dividends relate.

(e) *Restrictions on Transfer of Shares.* Restricted Shares shall be subject to such rights of repurchase, rights of first refusal or other restrictions as the Committee may determine. Such restrictions shall be set forth in the applicable Restricted Share Agreement and shall apply in addition to any general restrictions that may apply to all holders of Shares.

SECTION 7. TERMS AND CONDITIONS OF OPTIONS.

(a) *Stock Option Agreement.* Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Corporation. Such Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in a Stock Option Agreement. The Stock Option Agreement shall specify that the Option is an NSO. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical. Options may be granted in consideration of a reduction in the Optionee's other compensation.

(b) *Number of Shares.* Each Stock Option Agreement shall specify the number of Shares that are subject to the Option (subject to adjustment in accordance with Section 12).

(c) *Exercise Price.* Each Stock Option Agreement shall specify the Exercise Price. The Exercise Price of an Option shall not be less 100% of the Fair Market Value of a Share on the date of grant. Subject to the foregoing in this Section 7(c), the Exercise Price under any Option shall be determined by the Committee at its sole discretion. The Exercise Price shall be payable in one of the forms described in Section 8.

(d) *Withholding Taxes.* As a condition to the exercise of an Option, the Optionee shall make such arrangements as the Corporation may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such exercise. The Optionee shall also make such arrangements as the Corporation may require for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with the disposition of Shares acquired by exercising an Option.

(e) *Exercisability and Term.* Each Stock Option Agreement shall specify the date when all or any installment of the Option is to become exercisable, subject to Section 16(c) for all Option grants. The Stock Option Agreement shall also specify the term of the Option. A Stock Option Agreement may provide for accelerated exercisability in the event of the Optionee's death, Total and Permanent Disability or retirement or other events and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's Service. Options may be awarded in combination with SARs, and such an Award may provide that the Options will not be exercisable unless the related SARs are forfeited. Subject to the foregoing in this Section 7(e), the Committee at its sole discretion shall determine when all or any installment of an Option is to become exercisable and when an Option is to expire.

(f) *Exercise of Options.* Each Stock Option Agreement shall set forth the extent to which the Optionee shall have the right to exercise the Option following termination of the Optionee's Service with the Corporation and its Subsidiaries, and the right to exercise the Option of any executors or administrators of the Optionee's estate or any person who has acquired such Option(s) directly from the Optionee by bequest or inheritance. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination of Service.

(g) *Effect of Change in Control.* The Committee may determine, at the time of granting an Option or thereafter, that such Option shall become exercisable as to all or part of the Shares subject to such Option upon a Change in Control.

(h) *No Rights as a Stockholder.* An Optionee, or a permitted transferee of an Optionee, shall have no rights as a stockholder of the Corporation with respect to any Shares covered by the Option until the date of the issuance of the Shares underlying the Option upon a valid exercise thereof. Without limiting the foregoing, no Optionee, or a permitted transferee of an Optionee, shall receive payment of any dividends or dividend equivalents on the Shares underlying their Options while such Options are unvested.

(i) *Modification, Extension and Assumption of Options.* Within the limitations of the Plan, the Committee may modify, extend or assume outstanding Options or may accept the cancellation of outstanding Options (whether granted by the Corporation or another issuer) in return for the grant of new Options for the same or a different number of Shares and at the same or a different Exercise Price; provided, however, that the Committee may not modify outstanding Options to lower the Exercise Price nor may the Committee assume or accept the cancellation of outstanding Options in return for the grant of new Options or SARs with a lower Exercise Price, unless such action has been approved by the Corporation's stockholders. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, materially impair such Optionee's rights or increase his or her obligations under such Option.

(j) *Restrictions on Transfer of Shares.* Any Shares issued upon exercise of an Option shall be subject to such special forfeiture conditions, rights of repurchase, rights of first refusal and other transfer restrictions as the Committee may determine. Such restrictions shall be set forth in the applicable Stock Option Agreement and shall apply in addition to any general restrictions that may apply to all holders of Shares.

(k) *Buyout Provisions.* Except with respect to an Option whose Exercise Price exceeds the Fair Market Value of the Shares subject to the Option, the Committee may at any time (a) offer to buy out for a payment in cash or cash equivalents an Option previously granted or (b) authorize an Optionee to elect to cash out an Option previously granted, in either case at such time and based upon such terms and conditions as the Committee shall establish.

SECTION 8. PAYMENT FOR SHARES.

(a) *General Rule.* The entire Exercise Price or Purchase Price of Shares issued under the Plan shall be payable in lawful money of the United States of America at the time when such Shares are purchased, except as provided in Section 8(b) through Section 8(g) below.

(b) *Surrender of Stock.* To the extent that a Stock Option Agreement so provides, payment may be made all or in part by surrendering, or attesting to the ownership of, Shares which have already been owned by the Optionee or his representative. Such Shares shall be valued at their Fair Market Value on the date when the new Shares are purchased under the Plan. The Optionee shall not surrender, or attest to the ownership of, Shares in payment of the Exercise Price if such action would cause the Corporation to recognize compensation expense (or additional compensation expense) with respect to the Option for financial reporting purposes.

(c) *Services Rendered.* At the discretion of the Committee, Shares may be awarded under the Plan in consideration of services rendered to the Corporation or a Subsidiary prior to the award. If Shares are awarded without the payment of a Purchase Price in cash, the Committee shall make a determination (at the time of the award) of the value of the services rendered by the Offeree and the sufficiency of the consideration to meet the requirements of Section 6(b).

(d) *Cashless Exercise.* To the extent that a Stock Option Agreement so provides, payment may be made all or in part by delivery (on a form prescribed by the Committee) of an irrevocable direction to a securities broker to sell Shares and to deliver all or part of the sale proceeds to the Corporation in payment of the aggregate Exercise Price.

(e) *Exercise/Pledge.* To the extent that a Stock Option Agreement so provides, payment may be made all or in part by delivery (on a form prescribed by the Committee) of an irrevocable direction to a securities broker or lender to pledge Shares, as security for a loan, and to deliver all or part of the loan proceeds to the Corporation in payment of the aggregate Exercise Price.

(f) *Promissory Note.* To the extent that a Stock Option Agreement or Restricted Share Agreement so provides, payment may be made all or in part by delivering (on a form prescribed by the Corporation) a full-recourse promissory note.

(g) *Other Forms of Payment.* To the extent that a Stock Option Agreement or Restricted Share Agreement so provides, payment may be made in any other form that is consistent with applicable laws, regulations and rules.

(h) *Limitations under Applicable Law.* Notwithstanding anything herein or in a Stock Option Agreement or Restricted Share Agreement to the contrary, payment may not be made in any form that is unlawful, as determined by the Committee in its sole discretion.

SECTION 9. STOCK APPRECIATION RIGHTS.

(a) *SAR Agreement.* Each grant of a SAR under the Plan shall be evidenced by a SAR Agreement between the Optionee and the Corporation. Such SAR shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various SAR Agreements entered into under the Plan need not be identical. SARs may be granted in consideration of a reduction in the Optionee's other compensation.

(b) *Number of Shares.* Each SAR Agreement shall specify the number of Shares to which the SAR pertains and shall provide for the adjustment of such number in accordance with Section 12.

(c) *Exercise Price.* Each SAR Agreement shall specify the Exercise Price, which shall not be less than 100% of the Fair Market Value of a Share on the date of grant. A SAR Agreement may specify an Exercise Price that varies in accordance with a predetermined formula while the SAR is outstanding.

(d) *Exercisability and Term.* Each SAR Agreement shall specify the date when all or any installment of the SAR is to become exercisable, subject to Section 16(c). The SAR Agreement shall also specify the term of the SAR. A SAR Agreement may provide for accelerated exercisability in the event of the Optionee's death, Total and Permanent Disability or retirement or other events. Except as may be set forth in a SAR Agreement, vesting of the SAR shall cease on the termination of the Participant's Service. SARs may be awarded in combination with Options, and such an Award may provide that the SARs will not be exercisable unless the related Options are forfeited. A SAR may be included in an NSO at the time of grant or thereafter. A SAR granted under the Plan may provide that it will be exercisable only in the event of a Change in Control.

(e) *Effect of Change in Control.* The Committee may determine, at the time of granting a SAR or thereafter, that such SAR shall become fully exercisable as to all Shares subject to such SAR upon a Change in Control.

(f) *Exercise of SARs.* Upon exercise of a SAR, the Optionee (or any person having the right to exercise the SAR after his or her death) shall receive from the Corporation (a) Shares, (b) cash or (c) a combination of Shares and cash, as the Committee shall determine. The amount of cash and/or the Fair Market Value of Shares received upon exercise of SARs shall, in the aggregate, be equal to the amount by which the Fair Market Value (on the date of surrender) of the Shares subject to the SARs exceeds the Exercise Price.

(g) *Modification or Assumption of SARs.* Within the limitations of the Plan, the Committee may modify, extend or assume outstanding SARs or may accept the cancellation of outstanding SARs (whether granted by the Corporation or by another issuer) in return for the grant of new SARs for the same or a different number of Shares and at the same or a different exercise price; provided, however, that the Committee may not modify outstanding SARs to lower the Exercise Price nor may the Committee assume or accept the cancellation of outstanding SARs in return for the grant of new SARs or Options with a lower Exercise Price, unless such action has been approved by the Corporation's stockholders. The foregoing notwithstanding, no modification of a SAR shall, without the consent of the holder, materially impair his or her rights or obligations under such SAR.

(h) *Buyout Provisions.* Except with respect to a SAR whose Exercise Price exceeds the Fair Market Value of the Shares subject to the SAR, the Committee may at any time (a) offer to buy out for a payment in cash or cash equivalents a SAR previously granted, or (b) authorize an Optionee to elect to cash out a SAR previously granted, in either case at such time and based upon such terms and conditions as the Committee shall establish.

(i) *No Rights as a Stockholder.* An Optionee, or a permitted transferee of an Optionee, shall have no rights as a stockholder of the Corporation with respect to any Shares covered by the SAR until the date of the issuance of the Shares underlying the SAR upon a valid exercise thereof. Without limiting the foregoing, no Optionee, or a permitted transferee of an Optionee, shall receive payment of any dividends or dividend equivalents on the Shares underlying their SARs while such SARs are unvested.

SECTION 10. RESTRICTED STOCK UNITS.

(a) *Restricted Stock Unit Agreement.* Each grant of Restricted Stock Units under the Plan shall be evidenced by a Restricted Stock Unit Agreement between the recipient and the Corporation. Such Restricted Stock Units shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Restricted Stock Unit Agreements entered into under the Plan need not be identical. Restricted Stock Units may be granted in consideration of a reduction in the recipient's other compensation.

(b) *Payment for Awards.* To the extent that an Award is granted in the form of Restricted Stock Units, no cash consideration shall be required of the Award recipients.

(c) *Vesting Conditions.* Each Award of Restricted Stock Units shall vest over a minimum period of three years of the Participant's Service, subject to Section 16(c). Vesting shall occur, in full or in installments, upon satisfaction of such Service requirement and such other conditions specified in the Restricted Stock Unit Agreement. A Restricted Stock Unit Agreement may provide for accelerated vesting in the event of the Participant's death, Total and Permanent Disability or retirement or other events. The Committee may determine, at the time of granting Restricted Stock Units or thereafter, that all or part of such Restricted Stock Units shall become vested in the event that a Change in Control occurs with respect to the Corporation. Except as may be set forth in a Restricted Stock Unit Agreement, vesting of the Restricted Stock Units shall cease on the termination of the Participant's Service.

(d) *Voting and Dividend Rights.* The holders of Restricted Stock Units shall have no voting rights and no rights to receive payment of any dividends. Notwithstanding the foregoing, any Restricted Stock Unit awarded under the Plan may, at the Committee's discretion, carry with it a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all cash dividends paid on one Share while the Restricted Stock Unit is outstanding. Settlement of dividend equivalents may be made in the form of cash, in the form of Shares, or in a combination of both, and shall be subject to the same conditions and restrictions (including without limitation, any forfeiture conditions) as the Restricted Stock Units to which they relate. A Restricted Stock Unit Agreement may require that any dividend equivalents be converted into additional Restricted Stock Units, which shall be subject to the same conditions and restrictions as the Restricted Stock Units to which the dividend equivalents relate.

(e) *Form and Time of Settlement of Restricted Stock Units.* Settlement of vested Restricted Stock Units may be made in the form of (a) cash, (b) Shares or (c) any combination of both, as determined by the Committee. The actual number of Restricted Stock Units eligible for settlement may be larger or smaller than the number included in the original Award, based on predetermined performance factors. Methods of converting Restricted Stock Units into cash may include (without limitation) a method based on the average Fair Market Value of Shares over a series of trading days. A Restricted Stock Unit Agreement may provide that vested Restricted Stock Units may be settled in a lump sum or in installments. A Restricted Stock Unit Agreement may provide that the distribution may occur or commence when all vesting conditions applicable to the Restricted Stock Units have been satisfied or have lapsed, or it may be deferred to any later date. The amount of a deferred distribution may be increased by an interest factor or by dividend equivalents. Until an Award of Restricted Stock Units is settled, the number of such Restricted Stock Units shall be subject to adjustment pursuant to Section 12.

(f) *Death of Recipient.* Any Restricted Stock Units that become payable after the recipient's death shall be distributed to the recipient's beneficiary or beneficiaries. Each recipient of Restricted Stock Units under the Plan shall designate one or more beneficiaries for this purpose by filing the prescribed form with the Corporation. A beneficiary designation may be changed by filing the prescribed form with the Corporation at any time before the Award recipient's death. If no beneficiary was designated or if no designated beneficiary survives the Award recipient, then any Restricted Stock Units that become payable after the recipient's death shall be distributed to the recipient's estate.

(g) *Creditors' Rights.* A holder of Restricted Stock Units shall have no rights other than those of a general creditor of the Corporation. Restricted Stock Units represent an unfunded and unsecured obligation of the Corporation, subject to the terms and conditions of the applicable Restricted Stock Unit Agreement.

SECTION 11. PERFORMANCE SHARES.

(a) *Performance Shares and Performance Share Agreement.* Each grant of Performance Shares under the Plan shall be evidenced by a Performance Share Agreement between the recipient and the Corporation. Such Performance Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Performance Share Agreements entered into under the Plan need not be identical. Performance Shares may be granted in consideration of a reduction in the recipient's other compensation.

(b) *Payment for Awards.* To the extent that an Award is granted in the form of Performance Shares, no cash consideration shall be required of the Award recipients.

(c) *Terms of Performance Share Awards.* The Committee in its sole discretion shall determine the terms of Performance Share Awards, which may include subjecting such Awards to the attainment of "Qualifying Performance Criteria" as described in Section 16(b) of the Plan. Each Performance Share Agreement shall set forth the number of Shares subject to such Performance Share Award, the performance criteria (which may include Qualifying Performance Criteria) and the performance period. Subject to Section 16(c), the Participant shall be required to perform Service for the entire performance period (or if less, one year) in order to be eligible to receive payment under the Performance Share Award. Except as otherwise provided in the Performance Share Agreement, the Performance Share Award shall terminate upon the termination of the Participant's Service. Prior to settlement, the Committee may make adjustments to the applicable performance goals and shall determine the extent to which Performance Shares have been earned. Performance periods may overlap and the holders may participate simultaneously with respect to Performance Shares Awards that are subject to different performance periods and different performance criteria. The number of Shares may be fixed or may vary in accordance with such performance criteria as may be determined by the Committee. A Performance Share Agreement may provide for accelerated vesting in the event of the Participant's death, Total and Permanent Disability or retirement or other events. The Committee may determine, at the time of granting Performance Share Awards or thereafter, that all or part of the Performance Shares shall become vested upon a Change in Control.

(d) *Voting and Dividend Rights.* The holders of Performance Shares shall have no voting rights and no rights to receive payment of any dividends. Notwithstanding the foregoing, any Performance Shares awarded under the Plan may, at the Committee's discretion, carry with it a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all cash dividends paid on one Share while the Performance Share is outstanding. Settlement of dividend equivalents may be made in the form of cash, in the form of Shares, or in a combination of both, and shall be subject to the same conditions and restrictions (including without limitation, any forfeiture conditions) as the Performance Shares to which they relate. A Performance Share Agreement may require that any dividend equivalents be converted into additional Performance Shares, which shall be subject to the same conditions and restrictions as the Performance Shares to which the dividend equivalents relate.

(e) *Form and Time of Settlement of Performance Shares.* Settlement of Performance Shares may be made in the form of (a) cash, (b) Shares or (c) any combination of both, as determined by the Committee and set forth in the Performance Share Agreements. The actual number of Performance Shares eligible for settlement may be larger or smaller than the number included in the original Award, based on the Qualifying Performance Criteria. Methods of converting Performance Shares into cash may include (without limitation) a method based on the average Fair Market Value of Shares over a series of trading days. A Performance Share Agreement may provide that Performance Shares may be settled in a lump sum or in installments. A Performance Share Agreement may provide that the distribution may occur or commence when all vesting conditions applicable to the Performance Shares have been satisfied or have lapsed, or it may be deferred to any later date. The amount of a deferred distribution may be increased by an interest factor or by dividend equivalents. Until an Award of Performance Shares is settled, the number of such Performance Shares shall be subject to adjustment pursuant to Section 12.

(f) *Death of Recipient.* Any Performance Share Award that becomes payable after the recipient's death shall be distributed to the recipient's beneficiary or beneficiaries. Each recipient of a Performance Share Award under the Plan shall designate one or more beneficiaries for this purpose by filing the prescribed form with the Corporation. A beneficiary designation may be changed by filing the prescribed form with the Corporation at any time before the Award recipient's death. If no beneficiary was designated or if no designated beneficiary survives the Award recipient, then any Performance Share Award that becomes payable after the recipient's death shall be distributed to the recipient's estate.

(g) *Creditors' Rights.* A holder of Performance Shares shall have no rights other than those of a general creditor of the Corporation. Performance Shares represent an unfunded and unsecured obligation of the Corporation, subject to the terms and conditions of the applicable Performance Share Agreement.

SECTION 12. ADJUSTMENT OF SHARES; REORGANIZATIONS.

(a) *Adjustments.* In the event of a subdivision of the outstanding Stock, a declaration of a dividend payable in Shares, a declaration of a dividend payable in a form other than Shares in an amount that has a material effect on the Fair Market Value of Shares, a combination or consolidation of the outstanding Stock (by reclassification or otherwise) into a lesser number of Shares, a recapitalization, a spin-off or a similar occurrence, the Committee shall make appropriate and equitable adjustments in:

- (i) The numerical limitation set forth in Section 5(a);
- (ii) The number of Shares covered by all outstanding Awards; and
- (iii) The Exercise Price under each outstanding Option and SAR.

(b) *Dissolution or Liquidation.* To the extent not previously exercised or settled, all outstanding Awards shall terminate immediately prior to the dissolution or liquidation of the Corporation.

(c) *Reorganizations.* In the event the Corporation is party to a merger or other reorganization, subject to any vesting acceleration provisions in an Award agreement, outstanding Awards shall be treated in the manner provided in the agreement of merger or reorganization (including as the same may be amended). Such agreement shall not be required to treat all Awards or individual types of Awards similarly in the merger or reorganization; provided, however, that such agreement shall provide for one of the following with respect to all outstanding Awards (as applicable):

- (i) The continuation of the outstanding Award by the Corporation, if the Corporation is a surviving corporation;
- (ii) The assumption of the outstanding Award by the surviving corporation or its parent or subsidiary;
- (iii) The substitution by the surviving corporation or its parent or subsidiary of its own award for the outstanding Award;
- (iv) Full exercisability or vesting and accelerated expiration of the outstanding Award, followed by the cancellation of such Award;
- (v) The cancellation of an outstanding Option or SAR and a payment to the Optionee equal to the excess of (i) the Fair Market Value of the Shares subject to such Option or SAR (whether or not such Option or SARs is then exercisable or such Shares are then vested) as of the closing date of such merger or reorganization over (ii) its aggregate Exercise Price. Such payment may be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent with a Fair Market Value equal to the required amount. Such payment may be made in installments and may be deferred until the date or dates when such Option or SAR would have become exercisable or such Shares would have vested. Such payment may be subject to vesting based on the Optionee's continuing Service, provided that the vesting schedule shall not be less favorable to the Optionee than the schedule under which such Option or SAR would have become exercisable or such Shares would have vested (including any vesting acceleration provisions). If the Exercise Price of the Shares subject to any Option or SAR exceeds the Fair Market Value of the Shares subject thereto, then such Option or SAR may be cancelled without making a payment to the Optionee with respect thereto. For purposes of this Subsection (v), the Fair Market Value of any security shall be determined without regard to any vesting conditions that may apply to such security;
- (vi) The cancellation of an outstanding Restricted Stock Unit and a payment to the Participant equal to the Fair Market Value of the Shares subject to such Restricted Stock Unit (whether or not such Restricted Stock Unit is then vested) as of the closing date of such merger or other reorganization. Such payment may be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent with a Fair Market Value equal to the required amount. Such payment may be made in installments and may be deferred until the date or dates when such Restricted Stock Unit would have vested. Such payment may be subject to vesting based on the Participant's continuing Service, provided that the vesting schedule shall not be less favorable to the Participant than the schedule under which such Restricted Stock Unit would have vested (including any vesting acceleration provisions). For purposes of this Subsection (vi), the Fair Market Value of any security shall be determined without regard to any vesting conditions that may apply to such security; or

(vii) The cancellation of an outstanding Performance Share Award and a payment to the Participant equal to the Fair Market Value of the target Shares subject to such Performance Share Award (whether or not such Performance Share Award is then vested) as of the closing date of such merger or reorganization. Such payment may be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent with a Fair Market Value equal to the required amount. Such payment may be made in installments and may be deferred until the date or dates when such Performance Share Award would have settled. Such payment may be subject to the Participant's continuing Service and the achievement of performance criteria that are based on the performance criteria set forth in the Performance Share Award, with such changes that may necessary to give effect to the merger or other reorganization, provided that the performance period shall not be less favorable to the Participant than the performance period under such Performance Share Award (including any vesting acceleration provisions). For purposes of this Subsection (vii), the Fair Market Value of any security shall be determined without regard to any vesting conditions that may apply to such security.

(d) *Reservation of Rights.* Except as provided in Section 12, a Participant shall have no rights by reason of the occurrence of (or relating to) any merger or other reorganization, any transaction described in Section 12(a), or any transaction that results in an increase or decrease in the number of shares of stock of any class of the Corporation. Any issue by the Corporation of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, Awards. The grant of an Award pursuant to the Plan shall not affect in any way the right or power of the Corporation to effect any merger or other reorganization, any transaction described in Section 12(a), any dissolution or liquidation of the Corporation or any transaction that results in an increase or decrease in the number of shares of stock of any class of the Corporation.

SECTION 13. DEFERRAL OF AWARDS.

(a) *Committee Powers.* The Committee in its sole discretion may permit or require a Participant to:

(i) Have cash that otherwise would be paid to such Participant as a result of the exercise of a SAR or the settlement of Restricted Stock Units or Performance Shares credited to a deferred compensation account established for such Participant by the Committee as an entry on the Corporation's books;

- (ii) Have Shares that otherwise would be delivered to such Participant as a result of the exercise of an Option or SAR converted into an equal number of Restricted Stock Units; or
- (iii) Have Shares that otherwise would be delivered to such Participant as a result of the exercise of an Option or SAR or the settlement of Restricted Stock Units or Performance Shares converted into amounts credited to a deferred compensation account established for such Participant by the Committee as an entry on the Corporation's books. Such amounts shall be determined by reference to the Fair Market Value of such Shares as of the date when they otherwise would have been delivered to such Participant.

(b) *General Rules.* A deferred compensation account established under this Section 13 may be credited with interest or other forms of investment return, as determined by the Committee. A Participant for whom such an account is established shall have no rights other than those of a general creditor of the Corporation. Such an account shall represent an unfunded and unsecured obligation of the Corporation and shall be subject to the terms and conditions of the applicable agreement between such Participant and the Corporation. If the deferral or conversion of Awards is permitted or required, the Committee in its sole discretion may establish rules, procedures and forms pertaining to such Awards, including (without limitation) the settlement of deferred compensation accounts established under this Section 13.

(c) *Code Section 409A.* Notwithstanding the foregoing, any deferrals of Award payments in respect of an Award held by a Participant who is subject to United States federal income tax shall be subject to the applicable requirements of Section 409A of the Code and the Treasury Regulations promulgated thereunder. To the extent that the Committee determines that any Award granted under the Plan is subject to Section 409A of the Code, the Award agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. In the event that following the grant of an Award the Committee determines that such Award may be subject to Section 409A of the Code, the Committee may adopt such amendments to the applicable Award agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and the Treasury Regulations promulgated thereunder and thereby avoid the application of any penalty taxes under such Section.

SECTION 14. LEGAL AND REGULATORY REQUIREMENTS.

Shares shall not be issued under the Plan unless the issuance and delivery of such Shares complies with (or is exempt from) all applicable requirements of law, including (without limitation) the Securities Act of 1933, as amended, the rules and regulations promulgated thereunder, state securities laws and regulations and the regulations of any stock exchange on which the Corporation's securities may then be listed, and the Corporation has obtained the approval or favorable ruling from any governmental agency which the Corporation determines is necessary or advisable. The Corporation shall not be liable to a Participant or other persons as to: (a) the non-issuance or sale of Shares as to which the Corporation has been unable to obtain from any regulatory body having jurisdiction the authority deemed by the Corporation's counsel to be necessary to the lawful issuance and sale of any Shares under the Plan; and (b) any tax consequences expected, but not realized, by any Participant or other person due to the receipt, exercise or settlement of any Award granted under the Plan.

SECTION 15. WITHHOLDING TAXES.

(a) *General.* To the extent required by applicable federal, state, local or foreign law, a Participant or his or her successor shall make arrangements satisfactory to the Corporation for the satisfaction of any withholding tax obligations that arise in connection with the Plan. The Corporation shall not be required to issue any Shares or make any cash payment under the Plan until such obligations are satisfied.

(b) *Share Withholding.* The Corporation may permit a Participant to satisfy all or part of his or her withholding or income tax obligations by having the Corporation withhold all or a portion of any Shares that otherwise would be issued to him or her or by surrendering all or a portion of any Shares that he or she previously acquired. Such Shares shall be valued at their Fair Market Value on the date when taxes otherwise would be withheld in cash. In no event may a Participant have Shares withheld that would otherwise be issued to him or her in excess of the number necessary to satisfy the legally required minimum tax withholding.

SECTION 16. OTHER PROVISIONS APPLICABLE TO AWARDS.

(a) *Transferability.* Unless the agreement evidencing an Award (or an amendment thereto authorized by the Committee) expressly provides otherwise, no Award granted under this Plan, nor any interest in such Award, may be assigned, conveyed, gifted, pledged, hypothecated or otherwise transferred in any manner (prior to the vesting and lapse of any and all restrictions applicable to Shares issued under such Award), other than by will, by designation of a beneficiary (which shall be a family member or family trust) delivered to the Company, or by the laws of descent and distribution; provided, however, that an ISO may be transferred or assigned only to the extent consistent with Section 422 of the Code. Notwithstanding the foregoing, in no event may a Participant sell or otherwise transfer for value any Award granted under the Plan or any interest in such an Award, other than Shares issued to the Participant that are no longer subject to vesting or other restrictions under the terms of the applicable Award. Any purported sale, assignment, conveyance, gift, pledge, hypothecation or transfer in violation of this Section 16(a) shall be void and unenforceable against the Corporation.

(b) *Qualifying Performance Criteria.* The number of Shares or other benefits granted, issued, retainable and/or vested under an Award may be made subject to the attainment of performance goals for a specified period of time relating to one or more of the following performance criteria, either individually, alternatively or in any combination, applied to either the Corporation as a whole or to a business unit or Subsidiary, either individually, alternatively or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' or quarter's results or to the performance of one or more comparable companies or a designated comparison group or index, in each case as specified by the Committee in the Award: (a) cash flow (including operating cash flow), (b) earnings per share, (c) (i) earnings before interest, (ii) earnings before interest and taxes, (iii) earnings before interest, taxes and depreciation, (iv) earnings before interest, taxes, depreciation and amortization, or (v) earnings before any combination of such expenses or deductions, (d) return on equity, (e) total stockholder return, (f) share price performance, (g) return on capital, (h) return on assets or net assets, (i) revenue, (j) income or net income, (k) operating income or net operating income, (l) operating profit or net operating profit, (m) operating margin or profit margin (including as a percentage of revenue), (n) return on operating revenue, (o) return on invested capital, (p) market segment shares, (q) economic profit, (r) achievement of target levels of discovery and/or development of products, including but not limited to regulatory achievements, (s) achievement of research and development objectives, or (t) formation of joint ventures, strategic relationships or other commercial, research or development collaborations ("*Qualifying Performance Criteria*"). The Committee may appropriately adjust any evaluation of performance under a Qualifying Performance Criteria to exclude any of the following events that occur during a performance period: (i) asset write-downs, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (iv) accruals for reorganization and restructuring programs and (v) any extraordinary, nonrecurring items to be disclosed in the Corporation's financial statements (including footnotes) for the applicable year and/or in management's discussion and analysis of the financial condition and results of operations appearing in the Corporation's annual report to stockholders for the applicable year. If applicable, the Committee shall determine the Qualifying Performance Criteria and any permitted exclusions pursuant to the preceding sentence not later than the 90th day of the performance period, and shall determine and certify, for each Participant (or for all Participants), the extent to which the Qualifying Performance Criteria have been met. The Committee may not in any event increase the amount of compensation payable under the Plan upon the attainment of a Qualifying Performance Criteria to a Participant who is a "covered employee" within the meaning of Section 162(m) of the Code.

(c) *Vesting Restrictions on Awards.* Except with respect to a maximum of five percent (5%) of the total number of Shares authorized under the Plan, no Award may vest sooner than twelve (12) months from the date of grant.

SECTION 17. NO EMPLOYMENT RIGHTS.

No provision of the Plan, nor any Award granted under the Plan, shall be construed to give any person any right to become, to be treated as, or to remain an Employee. The Corporation and its Subsidiaries reserve the right to terminate any person's Service at any time and for any reason, with or without notice.

SECTION 18. APPLICABLE LAW.

The Plan shall be construed and enforced in accordance with the law of the State of Delaware, without reference to its principles of conflicts of law.

SECTION 19. DURATION AND AMENDMENTS.

(a) *Term of the Plan.* The Plan, as set forth herein, shall become effective on the day the Board of Directors adopts the Plan, and shall remain in effect until terminated by the Board of Directors or the Committee pursuant to Subsection (b) below.

(b) *Right to Amend or Terminate the Plan.* The Board of Directors or the Committee may amend or terminate the Plan at any time and from time to time. Rights and obligations under any Award granted before amendment of the Plan shall not be materially impaired by such amendment, except with consent of the Participant.

(c) *Effect of Termination.* No Awards shall be granted under the Plan after the termination thereof. The termination of the Plan shall not affect Awards previously granted under the Plan.