## foiapa

From:

Mark Edwards < medwards@biosciadvisors.com>

Sent:

Sunday, June 24, 2018 6:52 AM

To:

foiapa

Subject:

**FOIA Request** 

RECEIVED

JUN 2 5 2018

Office of FOIA Services

I would like to request access to Exhibit 10.1 (w/Glaxo) to the Form 8-K, as amended, filed by Adolor Corp. on 12/22/2005. Confidential treatment was sought as to certain portions when initially filed with the Commission.

In the event that confidential treatment has not expired or has been extended, I further request that you send me the expiration date(s) from the relevant CT order(s) so I will know when I should resubmit my request.

I authorize up to \$61 in search and retrieval fees. Please send the exhibit(s) by PDF if possible.

Sincerely,

Mark

Mark G Edwards
Managing Director
Bioscience Advisors
2855 Mitchell Dr., Suite 103
Walnut Creek, CA 94598
medwards@biosciadvisors.com
925 954-1397



# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

STATION PLACE 100 F STREET, NE WASHINGTON, DC 20549-2465

Office of FOIA Services

July 13, 2018

Mr. Mark G. Edwards Bioscience Advisors 2855 Mitchell Dr., Suite 103 Walnut Creek, CA 94598

RE: Freedom of Information Act (FOIA), 5 U.S.C. § 552

Request No. 18-04946-E

Dear Mr. Edwards:

This letter is in response to your request, dated June 24, 2018, and received in this office on June 25, 2018, for information regarding Exhibit 10.1 (w/Glaxo) to the Form 8-K, as amended, filed by Adolor Corp. on December 22, 2005.

The search for responsive records has resulted in the retrieval of 12 pages of records that may be responsive to your request. They are being provided to you with this letter.

If you have any questions, please contact me at <a href="mailto:smithLR@sec.gov">smithLR@sec.gov</a> or (202) 551-8328. You may also contact me at <a href="mailto:foiapa@sec.gov">foiapa@sec.gov</a> or (202) 551-7900. You also have the right to seek assistance from Lizzette Katilius as a FOIA Public Liaison or contact the Office of Government Information Services (OGIS) for dispute resolution services. OGIS can be reached at 1-877-684-6448 or <a href="mailto:Archives.gov">Archives.gov</a> or via e-mail at <a href="mailto:ogis@nara.gov">ogis@nara.gov</a>.

Sincerely,

La Kisha R. Smith

FOIA Research Specialist

Enclosure

# AMENDMENT NO. 2 TO COLLABORATION AGREEMENT

THIS AMENDMENT NO. 2 TO COLLABORATION AGREEMENT (this "Amendment No. 2"), dated as of December 22, 2004 (the "Effective Date"), is made by and between ADOLOR CORPORATION, a Delaware corporation and having its principal office at 700 Pennsylvania Drive, Exton, Pennsylvania 19341 ("Adolor"), and GLAXO GROUP LIMITED, a United Kingdom corporation and having its principal office at Glaxo Wellcome House, Berkely Avenue, Greenford, Middlesex, UB6 0NN, United Kingdom ("GSK"). Adolor and GSK are each sometimes referred to individually as a "Party" and together as the "Parties."

WHEREAS, Adolor and GSK entered into that certain Collaboration Agreement dated April 14, 2002, as amended by Amendment No. 1 effective on June 24, 2003 (the "<u>Agreement</u>") which set forth, among other things, a schedule of minimum Details to be performed by the Parties with respect to the POI Product and a tracking thereof;

WHEREAS, GSK does not track Sales Representative Details in the hospital setting;

WHEREAS, commensurate with the execution of this Amendment No. 2, GSK and Adolor are entering into the Arixtra Agreement, whereby Adolor will co-promote GSK's product Arixtra; and

WHEREAS, Adolor and GSK desire to amend the Agreement with respect to Detail Requirements for the POI Product and deployment of Sales Representatives, and with respect to the impact of the Arixtra Agreement on certain provisions in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the representations, covenants and agreements contained herein, Adolor and GSK, intending to be legally bound, hereby agree as follows:

- 1. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Agreement.
- 2. Adolor's address referred to in the preamble and in Section 18.7 shall be changed from 620 Pennsylvania Drive to 700 Pennsylvania Drive.
- 3. The following definitions shall be added to Article 1 of the Agreement:
  - "Adolor POI Sales Representative" means a Sales Representative deployed by Adolor to Co-Promote and Detail the POI Product.
  - "Arixtra" means the finished product containing fondaparinux sodium as an active ingredient in all package sizes and dosage forms, including all improvements, line extensions and formulations thereto.

- "Arixtra Agreement" means that certain Arixtra Co-Promotion Agreement entered into between the Parties dated December 22, 2004.
- "FTE Adolor Products" means Adolor Products other than the POI Product which the Joint U.S. Marketing Team determines are to be Detailed using Hospital Account Managers, Oncology Account Managers and/or Surgical Account Managers.
- "FTE Requirements" shall have the meaning set forth in Section 5.7.
- "GSK POI Sales Representative" means a Sales Representative deployed by GSK to Co-Promote and Detail the POI Product.
- "Hospital Account Manager" means a GSK Sales Representative that calls on physician and other customers primarily in a hospital setting.
- "Incentive Compensation" means the total sales performance incentive compensation for a product or all products, as applicable, available to be earned at each specified quota level (e.g., 50%, 75%, 100% and 120%) by a Sales Representative pursuant to the terms of the then current Sales Representative incentive compensation plan, including for example programs such as GSK's Winner Circle. The Incentive Compensation available to be earned by all of a Party's Sales Representatives for all products shall in no event be less than twenty percent (20%), on average, of the annual base compensation of such Sales Representatives at one hundred percent (100%) quota attainment, and in no event shall the total Incentive Compensation available to be earned be less than (wenty) thousand United States Dollars (U.S. \$20,000) per Sales Representative at one hundred percent (100%) quota attainment.
- "Oncology Account Manager" means a Sales Representative making Calls primarily on oncologists.
- "Sales Representative Deployment Report" shall have the meaning set forth in Section 5.9.1.
- "Sales Representative FTE" means for any period for each Sales Representative such Sales Representative multiplied by the percentage of Incentive Compensation available to be earned by such Sales Representative with respect to a Collaboration Product for such period over the total Incentive Compensation available to be earned by such Sales Representative for all products for such period.
- "Sales Representative FTE Requirements" shall have the meaning set forth in Section 5.7.
- "Surgical Account Manager" means a Sales Representative making Calls primarily on surgeons.

"Targeted Sales Representative FTE Requirement" means the Adolor Sales Representative FTE Requirement for POI Product set forth on Schedule 5.7, as reduced by the Joint U.S. Marketing Team taking into account Adolor's obligations under the Arixtra Agreement and the restriction on the number of Adolor POI Sales Representatives who Detail both the POI Product and Arixtra under the Arixtra Agreement, as provided in Section 5.7.

- 4. The definition "Initial Incentive Period" in Section 1.74 is hereby deleted in its entirety.
- 5. Section 2.3.4 of the Agreement is hereby amended and restated in its entirety as follows:

Adolor Sublicensing or Subcontracting to Third Parties. If set forth in the applicable U.S. Development Plan or U.S. Marketing Plan, Adolor may sublicense or subcontract its Development or Commercialization activities (other than Detailing or the deployment of the Sales Representative FTE Requirements except as provided in this Section 2.3.4) to a Third Party. The Parties agree that Adolor may request that GSK provide Sales Representatives to perform Adolor's Details of Collaboration Products (other than the POI Product and FTE Adolor Products), deploy Sales Representatives to cover Adolor's FTE Requirements for FTE Adolor Products, and/or deploy GSK POI Sales Representatives to cover Adolor's Sales Representative FTE Requirements for the POI Product. In the event that GSK provides such Sales Representatives: (a) the related costs of and/or remuneration for such Details so performed by GSK shall be agreed in good faith by the Parties at such time, taking into account both the prevailing Detail Cost and the cost of Details that could be provided by a Third Party contract sales organization (whose primary business is to detail pharmaceutical products on behalf of another party) for comparable number of Details and Sales Representatives, and (b) the related costs of and/or remuneration for each Sales Representative FTE so deployed shall be equal to one (hundred eighty thousand United States Dollars (U.S. \$180,000) for the 2005 Calendar Year, which amount will be increased, cumulatively, by three percent (3%) for the Calendar Year 2006 and thereafter such amount shall be agreed in good faith by the Parties at such time, taking into account the prevailing cost of a full time Sales Representative; provided, however, that in each case if GSK performs such Details or deploys such Sales Representative FTEs, as applicable, Adolor shall not be considered a Defaulting Party and there shall be no adjustment pursuant to Section 6.3.4. In the event that GSK does not provide such Sales Representatives, Adolor may engage a contract sales organization (whose primary business is to detail pharmaceutical products on behalf of another party) to perform such Details, fulfill its FTE Requirements or fulfill its Sales Representative FTE Requirements and, it is understood that Adolor may utilize a contract sales organization (whose primary business is to detail pharmaceutical products on behalf of another party) to recruit Sales Representatives for Adolor; provided, however, that in each case such contract sales organization hires or recruits (as the case may be) Sales Representatives with experience commensurate with industry standards for specialty pharmaceutical product sales.

- 6. In Section 5.1.2 of the Agreement, the phrase "the minimum Detail Requirements set forth on <u>Schedule 5.7</u>," is hereby deleted and replaced with the phrase "the minimum Sales Representative FTE Requirements set forth on <u>Schedule 5.7</u>,".
- 7. Section 5.1.6(a) of the Agreement is hereby amended and restated in its entirety as follows:
  - (a) Contract product profiles for the Collaboration Products, provided that if the initial contract product profile for a Collaboration Product set forth in a U.S. Marketing Plan is not substantiated by the final FDA approved label for such Collaboration Product, then, subject to Article 16, (i) Marketing Expenses will be adjusted accordingly, (ii) Detail Requirements for Collaboration Products (other than the POI Product and FTE Adolor Products) will be adjusted accordingly, (iii) FTE Requirements for FTE Adolor Products will be adjusted accordingly, and (iv) minimum Sales Representative FTE Requirements for the POI Product shall be as set forth on Schedule 5.7;
- 8. Section 5.1.6(e) of the Agreement is hereby amended and restated in its entirety as follows:
  - (e) Sales plans and activity, including sales force training; for Collaboration Products other than the POI Product and FTE Adolor Products, projected Detailing in excess of the minimum Detail Requirements, where applicable; for FTE Adolor Products, the projected deployment of Sales Representatives in excess of the FTE Requirements, where applicable; for the POI Product, projected deployment of Sales Representatives in excess of the Sales Representative FTE Requirements, where applicable; the percentage of Incentive Compensation available to be earned for the POI Product and the FTE Adolor Products; and for each Party, development of appropriate sales training materials, and strategy and budget for Samples;
- 9. After the phrase "Detail Requirements" in Section 5.5.1(b) of the Agreement, the following phrase is hereby added "FTE Requirements with respect to FTE Adolor Products, and to meet its Sales Representative FTE Requirements, as applicable".
- 10. After the phrase "Detail Requirements" in Section 5.5.2(c) of the Agreement, the following phrase is hereby added "FTE Requirements with respect to FTE Adolor Products, and the Sales Representative FTE Requirements".
- 11. The third sentence of Section 5.6 of the Agreement is hereby amended and restated in its entirety as follows:

GSK shall use Commercially Reasonable Efforts to perform, on an even basis in each Calendar Quarter, its annual Detail Requirements for Collaboration Products other than the POI Product and FTE Adolor Products, the deployment of its annual FTE Requirements for FTE Adolor Products, and the deployment of its annual Sales Representative FTE Requirements for the POI Product.

12. Section 5.7 of the Agreement is hereby amended and restated in its entirety as follows:

<u>Detailing</u>; <u>Sales Representative FTE and Marketing Requirements</u>. With respect to the Collaboration Products other than the POI Product, the Joint U.S. Marketing Team shall determine the targeted number of total Details and Primary Details to be performed by each Party in the United States during each Calendar Year and the Target Audience for such Details (the "Detail Requirements"). With respect to FTE Adolor Products, the Joint U.S. Marketing Team shall determine the targeted number of total FTEs to be deployed by each Party in the United States during each Calendar Year and the Target Audience to be called on by Sales Representatives (the "FTE Requirements"); provided, however, that any Detail Requirements for FTE Adolor Products will be converted to the FTE Requirements based upon the formula, (welve (12)) details per Sales Representative per day and two hundred ten (210) Sales Representative working days per Calendar Year unless otherwise mutually agreed by the Parties. With respect to the POI Product, the Joint U.S. Marketing Team shall determine the targeted number of total Sales Representative FTEs to be deployed by each Party in the United States during each Calendar Year and the Target Audience to be called on by such Sales Representatives (the "Sales Representative FTE Requirements"); provided, however, the Sales Representative FTE Requirements for the POI Product for the three (3) years following First Commercial Sale of the POI Product shall be not less than the minimum Sales Representative FTE Requirements set forth on Schedule 5.7; and provided further, that prior to the earlier of December 31, 2006 or the termination of the Arixtra Agreement, Adolor shall not be entitled to deploy more than (hirty)(60) Adolor POI Sales Representatives who Detail both the POI Product and the product under the Arixtra Agreement (unless such number is increased pursuant to Section 2.1 of the Arixtra Agreement or unless new Detailing Territories (as defined in the Arixtra Agreement) are created and Adolor and GSK agree that Adolor Sales Representatives (as defined in the Arixtra Agreement) are utilized to fill such territories up to the Adolor Sales Representative FTE Requirements). The foregoing limitation of not more than thirty (30) Adolor POI Sales Representatives shall not restrict Adolor from having a sales force greater than thirty (30) Sales Representatives for the purposes of Detailing products other than the POI Product. Unless otherwise agreed to by the Parties, a Party shall not be required, in each of the three (3) years following First Commercial Sale of the POI Production the United States, to deploy more than the applicable Sales Representative FTE Requirements set forth on Schedule 5.7 with respect to the POI Product and thereafter shall not be required to deploy more than ninety-nine (99) Sales Representative FTEs per Calendar Year with respect to the POI Product. Further, in the fourth Calendar Year after the First Commercial Sale of the POI Product and subsequent years thereafter, the allocation of Sales Representative FTEs for the POI Product shall be agreed between the Parties, and the casting vote determination under Section 3.1.4(b) shall not apply to such requirement for agreement. In each Calendar Year, beginning with the fourth Calendar Year after the First Commercial Sale of the POI Product in the United States, each of Adolor and GSK will devote substantially equal efforts and internal resources to the marketing and Co-Promoting of the Adolor Products, except that the targeted number of Detail Requirements for the Adolor Products other than the POI Product) and the targeted number of Sales Representative FTE Requirements for the POI Product to be

performed shall be split equally between the Parties. The Joint U.S. Marketing Team shall allocate responsibilities between the Parties on a basis consistent with and designed to achieve the goals of the preceding sentence. No Party with respect to an Adolor Product in the United States, beginning with the (fourth) Calendar Year after First Commercial Sale in the United States, shall be required, without its consent, to devote any employees or other internal resources of a type, scope or nature which are materially different from those provided by the other Party, with the exception of specific functions reserved for a Party pursuant to this Agreement which include but are not limited to those activities contemplated by Sections 5.5.2(b) and 5.5.2(f). The Joint U.S. Marketing Team shall determine the physician specialty(ies) to which the Sales Representative FTEs shall be deployed. Each Party shall ensure that its Sales Representatives use commercially reasonable efforts to Co-Promote and Detail the Collaboration Products to members of the Target Audience with face-to-face contact while describing in a fair and balanced manner the FDA-approved indicated uses and other relevant characteristics of such Collaboration Product, using the Promotional Materials in an effort to increase the Target Audience prescribing and/or hospital ordering preferences of a Collaboration Product for its FDA-approved indicated uses. The Parties acknowledge and agree that Sales Representatives that are Detailing Collaboration Products in the hospital setting and to surgical specialists will be Detailing Collaboration Products primarily in the hospital setting and to surgical specialists, and will not be Detailing Collaboration Products to primary care physicians unless otherwise mutually agreed by the Parties.

#### 13. Section 5.8 of the Agreement is hereby amended and restated in its entirety as follows:

Sales Force Incentive Compensation for POI Products. Each Party shall offer Incentive Compensation to its Sales Representatives with respect to the sale of the POI Product in the United States for each Calendar Year during the Adolor Product Promotion Term. Such incentive schemes shall be adopted by each Party in a manner consistent with the way other incentive schemes are adopted within their respective organizations; provided, however, that, for the first hirty-six (36) months after the First Commercial Sale of the POI Product, the Incentive Compensation available to be earned for sales of the POI Product by a Surgical Account Manager who Details the POI Product, shall be no less than (fifty-five percent (55%) of the Incentive Compensation available to be earned by such Surgical Account Manager. Additionally, for Detailing the POI Product, the Incentive Compensation payable by GSK to Hospital Account Managers shall be no less than thirty percent (30)%) of the total Incentive Compensation available to such Hospital Account Managers and, provided, that, GSK will not provide an incentive greater than the Incentive Compensation for the POI Product for any other product detailed by the Hospital Account Managers who also Detail the POI Product. Each Party shall notify the other Party, prior to the First Commercial Sale and prior to the commencement of each Calendar Year thereafter, of the structure, formula and relative competitiveness of such arrangement (having regard to other such arrangements adopted by GSK, Adolor, or other companies in the pharmaceutical industry for a company similar in size and scope to such Party).

- 14. Section 5.9.1 of the Agreement is hereby amended and restated in its entirety as follows:
  - Reports. Within thirty (30) days following the end of each Calendar Quarter, each Party shall provide the Joint U.S. Marketing Team with reports setting forth, in such detail and form as the Joint U.S. Marketing Team shall require (a) based upon each Party's internal Call reporting and Detailing auditing system, the total number of Details, Major Details and Secondary Details actually performed by such Party, in the United States, segmented by physician specialty of the Target Audience during the immediately preceding Calendar Quarter (the "Internal Detailing Report") for Collaboration Products other than the POI Product and FTE Adolor Products, and (b) the number of Sales Representative FTEs actually deployed during the immediately preceding Calendar Quarter, the calculation supporting such numbers and evidence of the Incentive Compensation available to be earned by each Sales Representative for sales of the POI Product and FTE Adolor Products (the "Sales Representative Deployment Report").
- 15. In Section 5.9.2 of the Agreement after the word "Detailing" in the second, third and last sentences the following phrase is hereby added "and/or deploying the Sales Representative FTE Requirements or FTE Requirements". Additionally, in Section 5.9.2 of the Agreement after the phrase "Internal Detailing Report" in the first and second sentences the following phrase is hereby added "and such Sales Representative Deployment Report".
- 16. Section 6.3.4 of the Agreement is hereby amended and restated in its entirety as follows:

### Adjustment of Marketing Contribution.

On a Collaboration Product-by-Collaboration Product basis other than POI Product and FTE Adolor Products, in the event that a Party performs less than ninety percent (90%) of its Detail Requirements (measured for both its total Details and Primary Details) in a Calendar Year (the "Defaulting Party"), then the Defaulting Party's share of the Adolor Product Marketing Contribution or GI Product Marketing Contribution, as applicable, for such Calendar Year shall be reduced as follows: (i) by one percentage (1)%) point if the Defaulting Party performs less than (ninety) percent (90%) but at least (eighty-seven) percent (87%) of its Detail Requirements (measured for both its total Details and Primary Details); (ii) by two percentage (2)%) points if the Defaulting Party performs less than eighty-seven percent (87%) but at least eighty-four percent (84%) of its Detail Requirements (measured for both its total Details and Primary Details); (iii) by three percentage (3)%) points if the Defaulting Party performs less than eighty-four percent (84%) but at least (eighty-one) percent (81%) of its Detail Requirements (measured for both its total Details and Primary Details); (iv) by four percentage (4%) points if the Defaulting Party performs less than eighty-one percent (81%) but at least seventy-eight percent (78%) of its Detail Requirements (measured for both its total Details and Primary Details); and (v) by five percentage (5%) points if the Defaulting Party performs less than (seventy-eight) percent (78%) but at least (eventy-five) percent (75%) of its Detail Requirements (measured for both its total Details and Primary Details), and, in each case, the other Party's share of the Adolor Product Marketing Contribution or the GI Product

Marketing Contribution, as applicable, for such Calendar Year shall be correspondingly increased. In the event the Defaulting Party performs less than seventy-five percent  $(75)_{0}$ ) of its Detail Requirements (measured for both its total Details and Primary Details) for a Collaboration Product other than the POI Product in such Calendar Year, then, in addition to the five percentage (5%) point reduction, the Defaulting Party's share of the Adolor Product Marketing Contribution or GI Product Marketing Contribution, as applicable for such Calendar Year shall also be reduced one percentage (1)%) point for each one percentage (1)% point that the Defaulting Party's actual number of Details is less than (seventy-five percent (75%) of the Defaulting Party's Detail Requirements (measured for both its total Details and Primary Details) and the other Party's share of the Adolor Product Marketing Contribution or the GI Product Marketing Contribution. as applicable, for such Calendar Year shall be correspondingly increased. If a Party is a Defaulting Party for a Collaboration Product other than the POI Product for two (2) consecutive Calendar Years, then the Adolor Product Marketing Contribution or the GI Product Marketing Contribution, as applicable, shall be permanently reduced and correspondingly increased for the other Party, by an amount equal to the average of the adjustments made for the (two (2)) defaulting Calendar Years. In the event that a Party fails to perform at least (fifty) percent (60%) of its Detail Requirements (measured for both its total Details and Primary Details) for a Collaboration Product other than the POI Product in a Calendar Year, that Party shall be deemed to have materially breached this Agreement and such breach shall be deemed incurable. For purposes of this Section, the determination as to whether GSK has met its minimum Detail Requirements shall be made with respect to both its Detail Requirements to General Surgeons as a Target Audience and to GSK's total Detail Requirement. The provisions of this Section 6.3.4(a) shall apply even if both Parties are a Defaulting Party.

Except as otherwise calculated for the Adolor Sales Representative FTE Requirements or Adolor FTE Requirements for the time period prior to December 31, 2006 pursuant to Section 6.3.4(c), with respect to the POI Product and FTE Adolor Products, in the event that a Party deploys less than minety percent (90%) of its Sales Representative FTE Requirements (or FTE Requirements) in a Calendar Year or with regard to Adolor in Year 2 only, in the event that Adolor deploys less than ninety percent (90%) of its Targeted Sales Representative FTE Requirements (in each case, the "Defaulting Party"), then the Defaulting Party's share of the Adolor Product Marketing Contribution for such Calendar Year shall be reduced as follows: (i) by one percentage (11%) point if the Defaulting Party deploys less than ninety percent (90%) but at least eighty-seven percent (87)%) of its Sales Representative FTE Requirements, FTE Requirements or Targeted Sales Representative FTE Requirements, as applicable; (ii) by two percentage (2)%) points if the Defaulting Party deploys less than eighty-seven percent (87%) but at least eighty-four percent (84%) of its Sales Representative FTE Requirements, FTE Requirements or Targeted Sales Representative FTE Requirements, as applicable; (iii) by three percentage (3%) points if the Defaulting Party deploys less than eighty-four percent (84%) but at least eighty-one percent (81%) of its Sales Representative FTE Requirements, FTE Requirements or Targeted Sales Representative FTE Requirements, as applicable; (iv) by four percentage (4%) points if the Defaulting Party deploys less than eighty-one percent (81%) but at least seventy-eight percent (78%)

of its Sales Representative FTE Requirements, FTE Requirements or Targeted Sales Representative FTE Requirements, as applicable; and (v) by (five percentage (5%) points if the Defaulting Party deploys less than seventy-eight percent (78%) but at least seventyfive percent (75%) of its Sales Representative FTE Requirements, FTE Requirements or Targeted Sales Representative FTE Requirements, as applicable, and, in each case, the other Party's share of the Adolor Product Marketing Contribution for such Calendar Year shall be correspondingly increased. In the event the Defaulting Party deploys less than (seventy-five percent (05%) of its Sales Representative FTE Requirements, FTE Requirements or Targeted Sales Representative FTE Requirements, as applicable, in such Calendar Year, then, in addition to the five percentage (5%) point reduction, the Defaulting Party's share of the Adolor Product Marketing Contribution for such Calendar Year shall also be reduced one percentage (1%) point for each (ne percentage (1%) point that the Defaulting Party's actual number of Sales Representative FTEs, FTEs for FTE Adolor Products or Targeted Sales Representative FTEs, as applicable, is less than seventy-five percent (75%) of the Defaulting Party's Sales Representative FTE Requirements and the other Party's share of the Adolor Product Marketing Contribution for such Calendar Year shall be correspondingly increased. If a Party is a Defaulting Party for the POI Product (or FTE Adolor Product) for wo consecutive Calendar Years, then the Adolor Product Marketing Contribution shall be permanently reduced and correspondingly increased for the other Party, by an amount equal to the average of the adjustments made for the two \( \oldsymbol{\pi} \) defaulting Calendar Years. In the event that a Party fails to deploy at least (fifty) percent (50%) of its Sales Representative FTE Requirements, FTE Requirements, or Targeted Sales Representative FTEs, as applicable, in a Calendar Year, that Party shall be deemed to have materially breached this Agreement and such breach shall be deemed incurable. The provisions of Section 6.3.4(b) shall apply even if both Parties are a Defaulting Party.

- Product and FTE Adolor Products, in the event that Adolor deploys less than eighty percent (80%) of its Targeted Sales Representative FTE Requirements in a Calendar Year, then Adolor's share of the Adolor Product Marketing Contribution for such Calendar Year shall be reduced as follows: (i) by five percentage (3%) points if Adolor deploys less than eighty percent (80%) but at least seventy-five percent (75%) of its Targeted Sales Representative FTE Requirements; and (ii) in the event Adolor deploys less than eventy-five percent (75%) of its Targeted Sales Representative FTE Requirements in a Calendar Year, then, in addition to the five percentage (3%) point reduction, Adolor's share of the Adolor Product Marketing Contribution for such Calendar Year shall also be reduced one percentage (1%) point for each one percentage (1%) point that Adolor's actual number of Targeted Sales Representative FTE Requirements are less than seventy-five percent (75%) of Adolor's Targeted Sales Representative FTE Requirements GSK's share of the Adolor Product Marketing Contribution for such Calendar Year shall be correspondingly increased.
- 17. Sections 11.1, 11.2, 11.3 and 11.4 of the Agreement are hereby amended and restated in their entirety as follows:

- 11.1 Arixtra Agreement. The Parties acknowledge and agree that they are entering into the Arixtra Agreement. In furtherance of such transaction, GSK hereby agrees to pay Adolor one million United States Dollars (U.S. \$1,000,000) per Calendar Quarter for ten (10) consecutive Calendar Quarters beginning with the first Calendar Quarter after the second (2<sup>nd</sup>) anniversary of the First Commercial Sale in the United States of the POI Product; provided, however, GSK will be entitled to reduce such amounts by the following:
- 11.1.1 any amounts paid by GSK to Adolor pursuant to Section 5.3 of the Arixtra Agreement; and
- 11.1.2 an amount equal to one hundred eighty thousand United States Dollars (U.S. \$180,000) times the difference between the Adolor Sales Representative FTEs for POI Product in Year 2 set forth in Schedule 5.7 and the Targeted Sales Representatives FTEs in Year 2

The Parties agree that any deductions available to GSK pursuant to either Section 11.1.1 or Section 11.1.2 shall be only applied when and against any payments are due from GSK to Adolor pursuant to this Section 11.1.

- 18. Schedule 5.7 of the Agreement is hereby amended and restated in its entirety with the Schedule 5.7 attached to this Amendment No. 2.
- 19. This Amendment No. 2 shall be construed, and the respective rights of the Parties determined, according to the substantive law of the State of Delaware notwithstanding the provisions governing conflict of laws under such Delaware law to the contrary.
- 20. This Amendment No. 2 may be executed in any two counterparts, each of which, when executed, shall be deemed to be an original and both of which together shall constitute one and the same document. This Amendment No. 2 may be executed by facsimile signatures, which signatures shall have the same force and effect as original signatures.
- 21. Except as set forth in this Amendment No. 2, the Agreement shall remain in full force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, duly authorized representatives of the Parties have duly executed this Amendment No. 2 to Collaboration Agreement as of the Effective Date.

GLAXO GROUP LIMITED		
Ву:		
Name: Richard Stephens		
Title: Assistant Secretary		
ADOLOR CORPORATION		
By:		
Name: Bruce A. Peacock		

Title: President & Chief Executive Officer

#### SCHEDULE 5.7

### SALES REPRESENTATIVE FTE REQUIREMENTS FOR THE POI PRODUCT

## GSK Minimum Number of Sales Representative FTE Requirements for the POI Product:

Year Beginning with First Commercial Sale	Total*	
Year 1	135	
Year 2	135	
Year 3	135	

## Adolor Minimum Number of Sales Representative FTE Requirements for the POI Product:

Year Beginning with First Commercial Sale	Total*	
Year 1	20	
Year 2	40	
Year 3	60	

\*If the FDA approved label for the POI Product, for any period during the first three years after First Commercial Sale of the POI Product, does not support Detailing to OB/Gyn Surgeons, then, during such period, the GSK minimum number of Sales Representative FTE Requirements shall be reduced to 115 for each of Year 1, Year 2 and Year 3 and the Adolor minimum number of Sales Representative FTE Requirements shall be reduced to 17, 34 and 51, for Year 1, Year 2 and Year 3, respectively.

In no event shall GSK deploy fewer than seventy (70) Surgical Account Managers and an adequate number of Hospital Account Managers to Commercialize the POI Product for the first three years after the First Commercial Sale of the POI Product.