

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) December 16, 2005 (December 12, 2005)

REGENERON PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of
incorporation)

0-19034

(Commission
File Number)

No. 13-3444607

(IRS Employer
Identification No.)

777 Old Saw Mill River Road, Tarrytown, New York

(Address of principal executive offices)

10591-6707

(Zip Code)

Registrant's telephone number, including area code (914) 347-7000

NOT APPLICABLE

(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 obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- 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))
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TABLE OF CONTENTS

[Item 1.01 Entry into a Material Definitive Agreement](#)

[Item 9.01 Financial Statements and Exhibits](#)

[Exhibit Index](#)

[EX-10.01: FORM OF OPTION AGREEMENT](#)

[EX-10.02: FORM OF OPTION AGREEMENT](#)

Item 1.01 Entry into a Material Definitive Agreement

On December 12, 2005, the Compensation Committee of the Registrant’s Board of Directors (the “Committee”) approved new option agreements to be used for the grant of non-qualified stock option awards to purchase shares of the Registrant’s common, stock, par value \$0.001 per share, under the Registrant’s 2000 Long-Term Incentive Plan.

The form of option agreement and related notice of grant approved by the Committee for use in connection with the grant of non-qualified stock options to the Registrant’s “named executive officers” (as such term is defined in Item 402(a)(3) of Regulation S-K under the Securities and Exchange Act of 1933, as amended), chairman, and non-employee directors is attached hereto as Exhibit 10.01 and incorporated herein by reference. The form of option agreement and related notice of grant approved by the Committee for use in connection with the grant of non-qualified stock options to the Registrant’s executive officers, other than the named executive officers, is attached hereto as Exhibit 10.02 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(c) *Exhibits.*

Exhibit Number	Description
10.01	Form of option agreement and related notice of grant for use in connection with the grant of non-qualified stock options to the Registrant’s non-employee directors and named executive officers.
10.02	Form of option agreement and related notice of grant for use in connection with the grant of non-qualified stock options to the Registrant’s executive officers other than the named executive officers.

[Table of Contents](#)

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

REGENERON PHARMACEUTICALS, INC.

Dated: December 16, 2005

By: /s/ Stuart Kolinski

Stuart Kolinski
Vice President & General Counsel

Exhibit Index

Number	Description
10.01	Form of option agreement and related notice of grant for use in connection with the grant of non-qualified stock options to the Registrant's non-employee directors and named executive officers.
10.02	Form of option agreement and related notice of grant for use in connection with the grant of non-qualified stock options to the Registrant's executive officers other than the named executive officers.

**Form of Option Agreement and
Notice of Grant of Options for Directors and Named
Executive Officers of Regeneron Pharmaceuticals, Inc.**

**Notice of Grant of Stock Options
Option Agreement for
Option Awards**

Regeneron Pharmaceuticals, Inc.
ID: []
777 Old Saw Mill River Road
Tarrytown, New York 10591

[OPTIONEE NAME]
 [OPTIONEE ADDRESS]

Option Number: []
Plan: 2005
ID []

Effective <date> (the Grant Date) you have been granted a Non-Qualified Stock Option to buy [] shares of Regeneron Pharmaceuticals, Inc. (the Company) stock at [\$] per share.

The total option price of the shares granted is [\$].

[Shares in each period will become fully vested on the date shown.

<u>[Shares</u>	<u>Vest Type</u>	<u>Full Vest</u>	<u>Expiration Date</u>
** Date]	On Vest Date	[_/_/_]**	[10 years from Grant
** Date]	On Vest Date	[_/_/_]**	[10 years from Grant
** Date]	On Vest Date	[_/_/_]**	[10 years from Grant
** Date]	On Vest Date	[_/_/_]**	[10 years from Grant

The Non-Qualified Stock Option expires on []*** (the "Expiration Date").

You and the Company agree that these options are granted under and governed by the terms and conditions of the Company's 2000 Long-Term Incentive Plan as amended and the enclosed Option Agreement, both of which are attached and made a part of this document.

** Options for executive officers will vest in approximately equal annual 25% installments. Full Vest Dates will occur on the first, second, third and fourth anniversaries of the Grant Date. Options for non-employee directors will vest in approximately equal annual 33-1/3% installments. Full Vest Dates will occur on the first, second, and third anniversaries of the Grant Date.

*** Date to be 10 years from the Grant Date.

REGENERON PHARMACEUTICALS, INC.

OPTION AGREEMENT
PURSUANT TO THE
2000 LONG-TERM INCENTIVE PLAN

THIS AGREEMENT, made as of the date on the *Notice of Grant of Stock Options*, by and between Regeneron Pharmaceuticals, Inc., a New York corporation (the "Company"), and the employee named on the *Notice of Grant of Stock Options* (the "Grantee");

WHEREAS, the Grantee is an employee of the Company and the Company desires to afford the Grantee the opportunity to acquire or enlarge the Grantee's stock ownership in the Company so that the Grantee may have a direct proprietary interest in the Company's success; and

WHEREAS, the Committee administering the 2000 Long-Term Incentive Plan (as amended from time to time, the "Plan") has granted (as of the effective date of grant specified in the *Notice of Grant of Stock Options*) to the Grantee a Stock Option to purchase the number of shares of the Company's Common Stock (\$.001 par value) (the "Common Stock") as set forth in the *Notice of Grant of Stock Options*.

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

1. Grant of Award. Pursuant to Section 7 of the Plan, the Company grants to the Grantee, subject to the terms and conditions of the Plan and subject further to the terms and conditions set forth here, the option to purchase from the Company all or any part of an aggregate of shares of Common Stock at the purchase price per share (the "Option") as shown on the *Notice of Grant of Stock Options*. No part of the Option granted hereby is intended to qualify as an Incentive Stock Option under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

2. Vesting; Exercise. (a) The Option is exercisable as provided on the *Notice of Grant of Stock Options*. To the extent that the Option has become exercisable as provided on the *Notice of Grant of Stock Options* and subject to the terms and conditions of the Plan, including without limitation, Section 7(c) (1) & (2), the Option may thereafter be exercised by the Grantee, in whole or in part, at any time or from time to time prior to the expiration of the Option in accordance with the requirements set forth in Section 7(c)(3) of the Plan, including, without limitation, the filing of such written form of exercise notice as may be

promulgated by the Committee, and in accordance with applicable tax and other laws. In addition to the methods of payment described in Section 7(c)(3) of the Plan, the Grantee shall be eligible to pay for shares of Common Stock purchased upon the exercise of the Option by directing the Company to withhold shares of Common Stock that would otherwise be issued pursuant to the Option exercise having a Fair Market Value (as measured on the date of exercise) equal to the Option exercise price. The Company shall have the right to require the Grantee in connection with the exercise of the Option to remit to the Company in cash an amount sufficient to satisfy any federal, state and local withholding tax requirements related thereto.

(b) The *Notice of Grant of Stock Options* describes the date (the "Full Vest Date") upon which the Grantee shall be entitled to exercise the Option provided that the Grantee has not incurred a termination of employment or service with the Company and all Subsidiaries (collectively, the Company and all Subsidiaries shall be referred to herein as the "Employer" and no termination of employment or service shall be deemed to take place unless the Grantee is no longer employed by or providing service to the Employer) prior to such date. There shall be no proportionate or partial vesting prior to the Full Vest Date specified in the *Notice of Grant of Stock Options* and all vesting shall occur only on the Full Vest Date. Except as otherwise provided in any employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Employer and the Grantee on the date specified in the *Notice of Grant of Stock Options*, no vesting shall occur after such date as the Grantee ceases to be employed by the Employer (or serve as a member of the Board of Directors, as the case may be) and all unvested Options shall be forfeited at such time.

(c) If Grantee makes payment upon exercise of the Option by delivering shares of Common Stock owned by the Grantee for at least six months prior to the date of exercise, the Grantee shall be granted a new option (a "Reload Option") on the date of exercise for a number of shares equal to the number of shares surrendered by the Grantee upon exercise, subject to the availability of shares of Common Stock under the Plan at the time of such exercise. Such Reload Option shall be granted at an exercise price equal to the Fair Market Value (as defined in the Plan) of a share of Common Stock on the date of grant, shall expire on the date on which the original Option would have expired, and shall be fully vested; provided, however, that the Reload Option may not be exercised until the date that is six months after the date of grant. The Reload Option shall otherwise be subject to the same terms and conditions as the original Option; provided, however, that the exercise of the Reload Option shall not entitle the Grantee to any further Reload grant.

(d) Notwithstanding anything herein (except the following sentence) or in the *Notice of Grant of Stock Options* to the contrary, the Option shall be fully vested if the Grantee's employment with the Employer (or serve as a member of the Board of Directors, as the case may be) is terminated on or within two years after the occurrence of a Change in Control by the Employer (other than for Cause) or by the Grantee for Good Reason. Except as otherwise provided in any employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Employer and the Grantee on the date of grant specified in the *Notice of Grant of Stock Options*, if the application of the provision in the foregoing sentence, similar provisions in other stock option or restricted stock grants, and other payments and benefits payable to the Grantee upon termination of employment (collectively, the "Company Payments") would result in the Grantee being subject to excise tax payable under Internal Revenue Code Section 4999 (the Excise Tax"), the amount of any Company Payments shall be automatically reduced to an amount one dollar less than an amount that would subject the Grantee to the Excise Tax; provided, however, that the reduction shall occur only if the reduced Company Payments received by the Grantee (after taking into account further reductions for applicable federal, state and local income, social security and other taxes) would be greater than the unreduced Company Payments to be received by the Grantee minus (i) the Excise Tax payable with respect to such Company Payments and (ii) all applicable federal, state and local income, social security and other taxes on such Company Payments. If the Company Payments are to be reduced in accordance with the foregoing, the Company Payments shall be reduced as mutually agreed between the Employer and the Grantee or, in the event the parties cannot agree, in the following order (1) acceleration of vesting of any option where the exercise price exceeds the fair market value of the underlying shares at the time the acceleration would otherwise occur, (2) any lump sum severance based on a multiple of base salary or bonus, (3) any other cash amounts payable to the

Grantee, (4) any benefits valued as parachute payments, and (5) acceleration of vesting of any equity not covered by (1) above.

3. Option Term. (a) Except as otherwise provided in the next sentence or in the Plan, the Option shall expire on the Expiration Date shown on the *Notice of Grant of Stock Options*. In the event of termination of employment or service with the Employer (including, by way of example, termination of service as a member of the Board of Directors), except as set forth in any employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Employer and the Grantee on the date of grant specified in the *Notice of Grant of Stock Option*, the vested portion of the Option shall expire on the earlier of (i) the Expiration Date, or (ii)(A) subject to (E) below, three months after such termination if such termination is for any reason other than death, retirement, or long-term disability, (B) two years after such termination if such termination is due to the Grantee's retirement, (C) one year after the termination if such termination is due to the Grantee's death or long-term disability, (D) the occurrence of the Cause event if such termination is for Cause or Cause existed at the time of such termination (whether then known or later discovered) or (E) one year after such termination if such termination is at any time within two years after the occurrence of a Change in Control and is by the Employer without Cause or by the Grantee for Good Reason.

(b) For purposes of this Agreement, "Cause" shall mean (i) in the case where there is no employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company and the Grantee on the date of grant specified in the *Notice of Grant of Stock Options* (or where there is such an agreement but it does not define "cause" (or words of like import)) (A) the willful and continued failure by the Grantee substantially to perform his or her duties and obligations to the Employer, including without limitation, repeated refusal to follow the reasonable directions of the Employer, knowing violation of law in the course of performance of the duties of the Grantee's employment with the Employer, repeated absences from work without a reasonable excuse, and intoxication with alcohol or illegal drugs while on the Employer's premises during regular business hours (other than any such failure resulting from his or her incapacity due to physical or mental illness); (B) fraud or material dishonesty against the Employer; or (C) a conviction or plea of guilty or nolo contendere to a felony or a crime involving material dishonesty or (ii) in the case where there is an employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Employer and the Grantee on the date of grant specified in the *Notice of Grant of Stock Options* that defines "cause" (or words of like import), as defined under such agreement. For purposes of this Section 3(b), no act, or failure to act, on a Grantee's part shall be considered "willful" unless done, or omitted to be done, by the Grantee in bad faith and without reasonable belief that his or her action or omission was in the best interest of the Employer. Any determination of Cause made prior to a Change in Control shall be made by the Committee in its sole discretion.

(c) For purposes of this Agreement, "Good Reason" shall mean (i) in the case where there is no employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Employer and the Grantee on the date of grant specified in the *Notice of Grant of Stock Options* (or where there is such an agreement but it does not define "good reason" (or words of like import)) a termination of employment or services by the Grantee within one hundred twenty (120) days after the occurrence of one of the following events after the occurrence of a Change in Control unless such events are fully corrected in all material respects by the Employer within thirty (30) days following written notification by the Grantee to the Employer that Grantee intends to terminate his employment hereunder for one of the reasons set forth below: (A) (1) any material diminution in the Grantee's duties and responsibilities from that which exists immediately prior to a Change in Control (except in each case in connection with the termination of the Grantee's employment or services for Cause or as a result of the Grantee's death, or temporarily as a result of the Grantee's illness or other absence), or (2) the assignment to the Grantee of duties and responsibilities materially inconsistent with the position held by the Grantee; (B) any material breach by the Employer of any material provision of any written agreement with the Grantee or failure to timely pay any compensation obligation to the Grantee; (C) a reduction in the Grantee's annual base salary or target bonus opportunity (if any) from that which exists immediately prior to a Change in Control; or (D) if the Grantee is based at the Employer's principal executive office, any relocation therefrom or, in any event, a relocation of the Grantee's primary office of more than fifty (50) miles from the location immediately prior to a Change in Control; or (ii) in the case where there is an

employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Employer and the Grantee on the date of grant specified in the *Notice of Grant of Stock Options* that defines “good reason” (or words of like import), as defined under such agreement.

4. Restrictions on Transfer of Option. The Option granted hereby shall not be transferable other than by will or by the laws of descent and distribution. During the lifetime of the Grantee, this Option shall be exercisable only by the Grantee. In addition, except as otherwise provided in this Agreement, the Option shall not be assigned, negotiated, pledged or hypothecated in any way (whether by operation of law or otherwise), and the Option shall not be subject to execution, attachment or similar process. Upon any other attempt to transfer, assign, negotiate, pledge or hypothecate the Option, or in the event of any levy upon the option by reason of any execution, attachment, or similar process contrary to the provisions hereof, the Option shall immediately become null and void. Notwithstanding the foregoing provisions of this Section 4, subject to the approval of the Committee in its sole and absolute discretion and to any conditions that the Committee may prescribe, the Grantee may, upon providing written notice to the Company, elect to transfer the Option to members of his or her immediate family, including, but not limited to, children, grandchildren and spouse or to trusts for the benefit of such immediate family members or to partnerships in which such family members are the only partners; provided, however, that no such transfer may be made in exchange for consideration.

5. Rights of a Stockholder. The Grantee shall have no rights as a stockholder with respect to any shares of Common Stock subject to this Option prior to the date of issuance to the Grantee of a certificate or certificates for such shares. No adjustment shall be made for dividends in cash or other property, distributions, or other rights with respect to such shares for which the record date is prior to the date upon which the Grantee shall become the holder of record therefor.

6. Compliance with Law and Regulations. This award and any obligation of the Company hereunder shall be subject to all applicable federal, state and local laws, rules and regulations and to such approvals by any government or regulatory agency as may be required. The Company shall be under no obligation to effect the registration pursuant to federal securities laws of any interests in the Plan or any shares of Common Stock to be issued hereunder or to effect similar compliance under any state laws. The Company shall not be obligated to cause to be issued or delivered any certificates evidencing shares of Common Stock pursuant to this Agreement unless and until the Company is advised by its counsel that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authority and the requirements of any securities exchange on which shares of Common Stock are traded. The Committee may require, as a condition of the issuance and delivery of certificates evidencing shares of Common Stock pursuant to the terms hereof, that the recipient of such shares make such agreements and representations, and that such certificates bear such legends, as the Committee, in its sole discretion, deems necessary or desirable. Except to the extent preempted by any applicable federal law, this Agreement shall be construed and administered in accordance with the laws of the State of New York without reference to its principles of conflicts of law.

7. Grantee Bound by Plan. The Grantee acknowledges receipt of a copy of the Plan and agrees to be bound by all the terms and provisions thereof. The Plan is incorporated herein by reference, and any capitalized term used but not defined herein shall have the same meaning as in the Plan. To the extent that this Agreement is silent with respect to, or in any way inconsistent with, the terms of the Plan, the provisions of the Plan shall govern and this Agreement shall be deemed to be modified accordingly.

8. Notices. Any notice or communication given hereunder shall be in writing and shall be deemed given when delivered in person, or by United States mail, at the following addresses: (i) if to the Employer, to: Regeneron Pharmaceuticals, Inc., 777 Old Saw Mill River Road, Tarrytown, NY 10591, Attention: Secretary, and (ii) if to the Grantee, to: the Grantee at Regeneron Pharmaceuticals, Inc., 777 Old Saw Mill River Road, Tarrytown, NY 10591, or, if the Grantee has terminated employment, to the last address for the Grantee indicated in the records of the Employer, or such other address as the relevant party shall specify at any time hereafter in accordance with this Section 8.

9. No Obligation to Continue Employment. This Agreement does not guarantee that the Employer will employ the Grantee for any specified time period, nor does it modify in any respect the Grantee’s employment or compensation.

**Form of Option Agreement and
Notice of Grant of Options for Executive Officers (other than
“named executive officers”) of Regeneron Pharmaceuticals, Inc.**

**Notice of Grant of Stock Options
and Option Agreement for
Option Awards**

Regeneron Pharmaceuticals, Inc.
ID: []
 777 Old Saw Mill River Road
 Tarrytown, New York 10591

[OPTIONEE NAME]
 [OPTIONEE ADDRESS]

Option Number: []
Plan: 2005
ID []

Effective <date> (the “Grant Date”) you have been granted a Non-Qualified Stock Option to buy [] shares of Regeneron Pharmaceuticals, Inc. (the Company) stock at [\$] per share.

The total option price of the shares granted is [\$].

Shares in each period will become fully vested on the date shown.

<u>Shares</u>	<u>Vest Type</u>	<u>Full Vest</u>	<u>Expiration Date</u>
**	On Vest Date	[/ /]**	***
**	On Vest Date	[/ /]**	***
**	On Vest Date	[/ /]**	***
**	On Vest Date	[/ /]**	***

You and the Company agree that these options are granted under and governed by the terms and conditions of the Company’s 2000 Long-Term Incentive Plan as amended and the enclosed Option Agreement, both of which are attached and made a part of this document.

** Option vests in approximately equal annual 25% installments. Full Vest Dates will occur on the first, second, third and fourth anniversaries of the Grant Date.

*** Option expires 10 years from the Grant Date.

REGENERON PHARMACEUTICALS, INC.

OPTION AGREEMENT
PURSUANT TO THE
2000 LONG-TERM INCENTIVE PLAN

THIS AGREEMENT, made as of the date on the *Notice of Grant of Stock Options*, by and between Regeneron Pharmaceuticals, Inc., a New York corporation (the "Company"), and the employee named on the *Notice of Grant of Stock Options* (the "Grantee");

WHEREAS, the Grantee is an employee of the Company and the Company desires to afford the Grantee the opportunity to acquire or enlarge the Grantee's stock ownership in the Company so that the Grantee may have a direct proprietary interest in the Company's success; and

WHEREAS, the Committee administering the 2000 Long-Term Incentive Plan (as amended from time to time, the "Plan") has granted (as of the effective date of grant specified in the *Notice of Grant of Stock Options*) to the Grantee a Stock Option to purchase the number of shares of the Company's Common Stock (\$.001 par value) (the "Common Stock") as set forth in the *Notice of Grant of Stock Options*.

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

1. Grant of Award. Pursuant to Section 7 of the Plan, the Company grants to the Grantee, subject to the terms and conditions of the Plan and subject further to the terms and conditions set forth here, the option to purchase from the Company all or any part of an aggregate of shares of Common Stock at the purchase price per share (the "Option") as shown on the *Notice of Grant of Stock Options*. No part of the Option granted hereby is intended to qualify as an Incentive Stock Option under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

2. Vesting; Exercise. (a) The Option is exercisable in installments as provided on the *Notice of Grant of Stock Options*. To the extent that the Option has become exercisable with respect to the number of shares of Common Stock as provided on the *Notice of Grant of Stock Options* and subject to the terms and conditions of the Plan, including without limitation, Section 7(c)(1) & (2), the Option may thereafter be exercised by the Grantee, in whole or in part, at any time or from time to time prior to the expiration of the Option in accordance with the requirements set forth in Section 7(c)(3) of the Plan, including, without limitation, the filing of such written form of exercise notice as may be promulgated by the Committee, and in accordance with applicable tax and other laws. In addition to the methods of payment described in Section 7(c)(3) of the Plan, the Grantee shall be eligible to pay for shares of Common Stock purchased upon the exercise of the Option by directing the Company to withhold shares of Common Stock that would otherwise be issued pursuant to the Option exercise having a Fair Market Value (as measured on the date of exercise) equal to the Option exercise price. The Company shall have the right to require the Grantee

in connection with the exercise of the Option to remit to the Company in cash an amount sufficient to satisfy any federal, state and local withholding tax requirements related thereto.

(c) The *Notice of Grant of Stock Options* indicates each date upon which the Grantee shall be entitled to exercise the Option with respect to the additional number of shares of Common Stock granted as indicated provided that the Grantee has not incurred a termination of employment or service with the Company and all Subsidiaries (collectively, the Company and all Subsidiaries shall be referred to herein as the “Employer” and no termination of employment or service shall be deemed to take place unless the Grantee is no longer employed by or providing service to the Employer) prior to such date. There shall be no proportionate or partial vesting in the periods between the Full Vest Dates specified in the *Notice of Grant of Stock Options* and all vesting shall occur only on the Full Vest Dates. Except as otherwise provided in any employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Employer and the Grantee on the date specified in the *Notice of Grant of Stock Options*, no vesting shall occur after such date as the Grantee ceases to be employed by the Employer and all unvested Options shall be forfeited at such time.

(c) Notwithstanding anything herein (except the following sentence) or in the *Notice of Grant of Stock Options* to the contrary, the Option shall be fully vested if the Grantee’s employment with the Employer is terminated on or within two years after the occurrence of a Change in Control by the Employer (other than for Cause) or by the Grantee for Good Reason. Except as otherwise provided in any employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Employer and the Grantee on the date of grant specified in the *Notice of Grant of Stock Options*, if the application of the provision in the foregoing sentence, similar provisions in other stock option or restricted stock grants, and other payments and benefits payable to the Grantee upon termination of employment (collectively, the “Company Payments”) would result in the Grantee being subject to the excise tax payable under Internal Revenue Code Section 4999 (the “Excise Tax”), the amount of any Company Payments shall be automatically reduced to an amount one dollar less than an amount that would subject the Grantee to the Excise Tax; provided, however, that the reduction shall occur only if the reduced Company Payments received by the Grantee (after taking into account further reductions for applicable federal, state and local income, social security and other taxes) would be greater than the unreduced Company Payments to be received by the Grantee minus (i) the Excise Tax payable with respect to such Company Payments and (ii) all applicable federal, state and local income, social security and other taxes on such Company Payments. If the Company Payments are to be reduced in accordance with the foregoing, the Company Payments shall be reduced as mutually agreed between the Employer and the Grantee or, in the event the parties cannot agree, in the following order (1) acceleration of vesting of any option where the exercise price exceeds the fair market value of the underlying shares at the time the acceleration would otherwise occur, (2) any lump sum severance based on a multiple of base salary or bonus, (3) any other cash amounts payable to the Grantee, (4) any benefits valued as parachute payments, and (5) acceleration of vesting of any equity not covered by (1) above.

3. Option Term. (a) Except as otherwise provided in the next sentence or in the Plan, the Option shall expire on the Expiration Date shown on the *Notice of Grant of Stock Options*. In the event of termination of employment or service with the Employer, except as set forth in any employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Employer and the Grantee on the date of grant specified in the *Notice of Grant of Stock Options*, the vested portion of the Option shall expire on the earlier of (i) the Expiration Date, or (ii) (A) subject to (E) below, three months after such termination if such termination is for any reason other than death, retirement, or long-term disability, (B) two years after such termination if such termination is due to the Grantee’s retirement, (C) one year after the termination if such termination is due to the Grantee’s death or long-term disability, (D) the occurrence of the Cause event if such termination is for Cause or Cause existed at the time of such termination (whether then known or later discovered) or (E) one year after such termination if such termination is at any time within two years after the occurrence of a Change in Control and is by the Employer without Cause or by the Grantee for Good Reason.

(d) For purposes of this Agreement, “Cause” shall mean (i) in the case where there is no employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company and the Grantee on the date of grant specified in the *Notice of Grant of Stock*

Options (or where there is such an agreement but it does not define “cause” (or words of like import)) (A) the willful and continued failure by the Grantee substantially to perform his or her duties and obligations to the Employer, including without limitation, repeated refusal to follow the reasonable directions of the Employer, knowing violation of law in the course of performance of the duties of the Grantee’s employment with the Employer, repeated absences from work without a reasonable excuse, and intoxication with alcohol or illegal drugs while on the Employer’s premises during regular business hours (other than any such failure resulting from his or her incapacity due to physical or mental illness); (B) fraud or material dishonesty against the Employer; or (C) a conviction or plea of guilty or nolo contendere to a felony or a crime involving material dishonesty or (ii) in the case where there is an employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Employer and the Grantee on the date of grant specified in the *Notice of Grant of Stock Options* that defines “cause” (or words of like import), as defined under such agreement. For purposes of this Section 3(b), no act, or failure to act, on a Grantee’s part shall be considered “willful” unless done, or omitted to be done, by the Grantee in bad faith and without reasonable belief that his or her action or omission was in the best interest of the Employer. Any determination of Cause made prior to a Change in Control shall be made by the Committee in its sole discretion.

(e) For purposes of this Agreement, “Good Reason” shall mean (i) in the case where there is no employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Employer and the Grantee on the date of grant specified in the *Notice of Grant of Stock Options* (or where there is such an agreement but it does not define “good reason” (or words of like import)) a termination of employment by the Grantee within one hundred twenty (120) days after the occurrence of one of the following events after the occurrence of a Change in Control unless such events are fully corrected in all material respects by the Employer within thirty (30) days following written notification by the Grantee to the Employer that Grantee intends to terminate his employment hereunder for one of the reasons set forth below: (A) (1) any material diminution in the Grantee’s duties and responsibilities from that which exists immediately prior to a Change in Control (except in each case in connection with the termination of the Grantee’s employment for Cause or as a result of the Grantee’s death, or temporarily as a result of the Grantee’s illness or other absence), or (2) the assignment to the Grantee of duties and responsibilities materially inconsistent with the position held by the Grantee; (B) any material breach by the Employer of any material provision of any written agreement with the Grantee or failure to timely pay any compensation obligation to the Grantee; (C) a reduction in the Grantee’s annual base salary or target bonus opportunity (if any) from that which exists immediately prior to a Change in Control; or (D) if the Grantee is based at the Employer’s principal executive office, any relocation therefrom or, in any event, a relocation of the Grantee’s primary office of more than fifty (50) miles from the location immediately prior to a Change in Control; or (ii) in the case where there is an employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Employer and the Grantee on the date of grant specified in the *Notice of Grant of Stock Options* that defines “good reason” (or words of like import), as defined under such agreement.

4. Restrictions on Transfer of Option. The Option granted hereby shall not be transferable other than by will or by the laws of descent and distribution. During the lifetime of the Grantee, this Option shall be exercisable only by the Grantee. In addition, except as otherwise provided in this Agreement, the Option shall not be assigned, negotiated, pledged or hypothecated in any way (whether by operation of law or otherwise), and the Option shall not be subject to execution, attachment or similar process. Upon any other attempt to transfer, assign, negotiate, pledge or hypothecate the Option, or in the event of any levy upon the option by reason of any execution, attachment, or similar process contrary to the provisions hereof, the Option shall immediately become null and void. Notwithstanding the foregoing provisions of this Section 4, subject to the approval of the Committee in its sole and absolute discretion and to any conditions that the Committee may prescribe, the Grantee may, upon providing written notice to the Company, elect to transfer the Option to members of his or her immediate family, including, but not limited to, children, grandchildren and spouse or to trusts for the benefit of such immediate family members or to partnerships in which such family members are the only partners; provided, however, that no such transfer may be made in exchange for consideration.

5. Rights of a Stockholder. The Grantee shall have no rights as a stockholder with respect to any shares of Common Stock subject to this Option prior to the date of issuance to the Grantee of a

certificate or certificates for such shares. No adjustment shall be made for dividends in cash or other property, distributions, or other rights with respect to such shares for which the record date is prior to the date upon which the Grantee shall become the holder of record therefor.

6. Compliance with Law and Regulations. This award and any obligation of the Company hereunder shall be subject to all applicable federal, state and local laws, rules and regulations and to such approvals by any government or regulatory agency as may be required. The Company shall be under no obligation to effect the registration pursuant to federal securities laws of any interests in the Plan or any shares of Common Stock to be issued hereunder or to effect similar compliance under any state laws. The Company shall not be obligated to cause to be issued or delivered any certificates evidencing shares of Common Stock pursuant to this Agreement unless and until the Company is advised by its counsel that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authority and the requirements of any securities exchange on which shares of Common Stock are traded. The Committee may require, as a condition of the issuance and delivery of certificates evidencing shares of Common Stock pursuant to the terms hereof, that the recipient of such shares make such agreements and representations, and that such certificates bear such legends, as the Committee, in its sole discretion, deems necessary or desirable. Except to the extent preempted by any applicable federal law, this Agreement shall be construed and administered in accordance with the laws of the State of New York without reference to its principles of conflicts of law.

7. Grantee Bound by Plan. The Grantee acknowledges receipt of a copy of the Plan and agrees to be bound by all the terms and provisions thereof. The Plan is incorporated herein by reference, and any capitalized term used but not defined herein shall have the same meaning as in the Plan. To the extent that this Agreement is silent with respect to, or in any way inconsistent with, the terms of the Plan, the provisions of the Plan shall govern and this Agreement shall be deemed to be modified accordingly.

8. Notices. Any notice or communication given hereunder shall be in writing and shall be deemed given when delivered in person, or by United States mail, at the following addresses: (i) if to the Employer, to: Regeneron Pharmaceuticals, Inc., 777 Old Saw Mill River Road, Tarrytown, NY 10591, Attention: Secretary, and (ii) if to the Grantee, to: the Grantee at Regeneron Pharmaceuticals, Inc., 777 Old Saw Mill River Road, Tarrytown, NY 10591, or, if the Grantee has terminated employment, to the last address for the Grantee indicated in the records of the Employer, or such other address as the relevant party shall specify at any time hereafter in accordance with this Section 8.

9. No Obligation to Continue Employment. This Agreement does not guarantee that the Employer will employ the Grantee for any specified time period, nor does it modify in any respect the Grantee's employment or compensation.