

MEDAREX, INC.

POLICY AND PROCEDURES FOR THE GRANTING OF STOCK OPTIONS AND OTHER EQUITY-BASED INCENTIVES

(Adopted by the Board of Directors on January 25, 2007)
(Amended by the Board of Directors on October 25, 2007)
(Amended by the Board of Directors on January 31, 2008)

PURPOSE

The purpose of this Policy and Procedures for the Granting of Stock Options and Other Equity-Based Incentives (the “**Policy**”) is to present a framework for a consistent process for the granting of stock options and other equity-based incentives (“**Awards**”). The Board of Directors of Medarex, Inc. (“**Medarex**”) has adopted this Policy to assure the integrity of Medarex’s equity award process and has delegated the administration thereof to the Compensation and Organization Committee (the “**Committee**”) of the Board of Directors of Medarex (the “**Board**”).

GENERAL PRINCIPLES

In furtherance of this purpose, Committee members and management shall follow consistent procedures for the granting of Awards to officers, employees and members of the Board, as further set forth herein (the “**Equity Grant Procedures**”). The Equity Grant Procedures, and Medarex’s implementation of the practices thereunder, shall comply with applicable law, the Committee charter and Medarex’s equity compensation plans. Medarex shall make full disclosure of the Equity Grant Procedures in accordance with applicable securities laws and regulations.

It is the intent of this policy that Awards to current employees, officers or Board members will not be granted by Medarex when any executive officer or member of the Board is in possession of any material, non-public information (as defined in Medarex’s Policy Prohibiting Insider Trading).

EQUITY GRANT PROCEDURES

Grants to New Officers, Employees and Board Members

Approval Process: At regular or special meetings of the Committee, which meetings may be held either by video, telephone or in-person, the Committee shall approve Awards to officers, employees and Board members who commenced service at Medarex during the month(s) preceding each meeting (the “**Period**”). The dates of regular meetings will be determined at the start of the calendar year. In advance of each meeting, management shall provide to the Committee a list of all officers and other

employees hired during the Period, and Board members who commenced their service, during the Period and for whom management (or, in the case of new Board members, the Board) recommends an Award. Management shall also provide the Committee with the name of each individual, the amount and nature of recommended equity awards for each individual, and the individual's start date. The Award shall be deemed approved on the date of the Committee meeting. Any officer, other employee or Board member who commences his or her service at Medarex on or after the date management provides the Committee with a list of recommended Award recipients shall be considered for a new-hire Award at the next Committee meeting.

Grant Date: The grant date of all Awards to new officers, employees and Board members shall be last trading day of the month in which the Award was approved by the Committee. Unless otherwise provided, the exercise price of all new officer, employee and Board member Awards shall be 100% of the average of the high and the low price of Medarex's common stock on the grant date (the "**Fair Market Value**").

Determining Amount of Award: If the amount of the Award approved by the Committee is stated in terms of a dollar value and not an express number of shares of Common Stock, then the following formula shall be used on the grant date to determine the number of shares subject to the Award:

- the number of shares shall be equal to (a) the aggregate dollar amount of the Award divided by (b) the Fair Market Value.

Off-Cycle Grants to Current Officers, Employees and Board Members

Committee Approval Process: All other Awards granted to current officers, employees, Board members and non-employee consultants throughout the year, including Awards granted pursuant to the Company's deferred compensation programs under Section 13 of the Company's 2005 Equity Incentive Plan ("**Deferred Awards**"), but excluding annual grants ("**Off-Cycle Awards**"), shall be approved at the Committee's meetings as described below. In advance of each meeting of the Committee, management shall provide to the Committee a list of all officers, employees and Board members for whom management (or, in the case of Board members, the Board) recommends an Off-Cycle Award. Management shall also provide the Committee with the name of each individual, the amount and nature of recommended equity awards for each individual, and the reason for the Off-Cycle Awards. The Award shall be deemed approved on the date of the Committee meeting.

Grant Date: The grant date of all Off-Cycle Awards shall be last trading day of the month in which the Award was approved by the Committee as the case may be. For clarification, the grant date of Deferred Awards under the 2008 Deferred Compensation Program must correspond with the date on which the underlying compensation being deferred is otherwise paid to employees generally. Unless otherwise provided, the

exercise price of all Off-Cycle Awards shall be the Fair Market Value, as determined above.

Determining Amount of Award: If the amount of the Award approved by the Committee is stated in terms of a dollar value and not an express number of shares of Common Stock, then the following formula shall be used on the grant date to determine the number of shares subject to the Award:

- the number of shares shall be equal to (a) the aggregate dollar amount of the Award divided by (b) the Fair Market Value.

Annual Grants to Current Officers, Employees and Board Members

Approval Process: The Committee may approve annual Awards to current officers, employees and members of the Board at a meeting held in the forty-five (45) day period following the close of each fiscal year. At the meeting, the Committee shall determine the exact recipients of the Awards and the exact amount and nature of shares to underlie the Awards granted to the recipients. The annual Awards shall be deemed approved on the date of the Committee meeting.

Grant Date: The grant date of all annual Awards shall be the date that is the third (3rd) trading day after Medarex files its annual report on Form 10-K. Unless otherwise provided, the exercise price of all annual Awards shall be the Fair Market Value, as determined above.

Determining Amount of Award: If the amount of the Award approved by the Committee is stated in terms of a dollar value and not an express number of shares of Common Stock, then the following formula shall be used on the grant date to determine the number of shares subject to the Award:

- the number of shares shall be equal to (a) the aggregate dollar amount of the Award divided by (b) the Fair Market Value.

COMMUNICATION, DOCUMENTATION AND IMPLEMENTATION OF EQUITY-BASED INCENTIVES

To ensure the accurate communication, documentation and implementation of Awards, upon the approval of Awards, the chair of the Committee shall timely communicate all Awards to the Chief Financial Officer (the “CFO”), or his or her designee, who in turn shall timely communicate all Awards to the Stock Option Administrator. Once approved, there shall be no changes in any individual’s stock option grant without further action by the Committee.

The Stock Option Administrator shall (i) provide documentation of equity-based incentives to the recipients in a timely manner following the approval by the Committee as the case may be; (ii) maintain records of all equity-based compensation grants and exercises, including (a) the type of each Award, (b) the exact recipient of each Award, (c) the exact number of shares (or other units) that will underlie each Award, (d) the grant date for the Award, and (e) the exercise price of each Award; (iii) on an annual basis, review Medarex's system of documenting equity-based compensation grants and exercises with the CFO, and if requested, with the chair of the Committee; and (iv) on an annual basis, provide a detailed report to each member of the Board that describes his or her stock option and other equity holdings for that year.

SPECIAL SITUATIONS

In the event it is not feasible to follow the Equity Grant Procedures set forth above, the Committee may waive such procedures. Before electing to do so, however, the Committee shall consult with the CFO and the General Counsel and make a determination that it is in Medarex's best interest to waive the Equity Grant Procedures. It is expected that such a waiver will occur only under exceptional circumstances.

For any Award subject to a waiver of the Equity Grant Procedures, the reasons for such waiver shall be fully documented by the Committee, and the methodology for establishing the exercise price of the Award shall be described in the accompanying documentation. For any special situation, the Committee shall determine the exact recipients of the Awards and the exact amount and nature of shares to underlie the Awards granted to the recipients. Furthermore, the chair of the Committee and Stock Option Administrator shall timely communicate the Award as set forth above, and the Stock Option Administrator shall maintain records of the Award as set forth above.

REVIEW OF EQUITY GRANT PROCEDURE

On an annual basis, the CFO and the General Counsel shall undertake a review of Medarex's procedures for the granting and exercise of Awards. The review shall include an assessment of the Committee's performance in accordance with this Policy. The CFO and the General Counsel shall involve Medarex's outside corporate/securities counsel and accountants in such review. Prior to undertaking the review, the CFO and the General Counsel shall consult with the chairs of the Committee and the Audit Committee to ascertain whether the committees have any particular areas of concern regarding Medarex's equity grant procedures. Upon completion of the review, the CFO and the General Counsel shall (i) share the results of the review with the Chief Executive Officer, the Committee and the Audit Committee, and (ii) report to the Board regarding any significant issues which arose during the review.

The Committee shall review this Policy at least annually and may recommend any modifications to the Board. The Board will determine any changes to be made to this Policy based upon the Committee's recommendations.

Failure to comply with this Policy may result in disciplinary actions in accordance with Medarex's employment procedures.

TRAINING

The CFO and the General Counsel shall supervise an annual training program and/or distribute update/refresher materials for officers, employees, members of the Board and consultants in connection with the administration, implementation, and/or review of Medarex's equity grant procedures. The CFO and the General Counsel may engage external advisors and consultants, to the extent determined appropriate by the CFO and the General Counsel, to facilitate the performance of any training functions.