

**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):

October 22, 2007

AVANT IMMUNOTHERAPEUTICS, INC.

(Exact name of registrant as specified in charter)

Delaware

(State or other jurisdiction
of incorporation)

0-15006

(Commission file number)

13-3191702

(IRS employer
identification no.)

119 Fourth Avenue

Needham, Massachusetts 02494-2725

(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code:

(781) 433-0771

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:

- 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))

Item 1.01. Entry into a Material Definitive Agreement.

On October 19, 2007, AVANT Immunotherapeutics, Inc., a Delaware corporation (the "Company"), entered into an Agreement and Plan of Merger (the "Merger Agreement") with Celldex Therapeutics, Inc., a Delaware corporation ("Celldex"), and Callisto Merger Corporation, a Delaware corporation and wholly-owned subsidiary of the Company ("Merger Sub"). The Merger Agreement contemplates a stock-for-stock merger, pursuant to which Merger Sub will be merged with and into Celldex, with Celldex as the surviving entity (the "Merger"). In the Merger, each outstanding share of Celldex common stock, par value \$.01 per share and Class A common stock, par value \$.01 per share ("Celldex Common Stock") will be automatically converted into that number of validly issued, fully paid and nonassessable shares of common stock, par value \$.001 per share of the Company (the "Company Common Stock"), that will result in the Celldex stockholders and optionholders owning 58% of the fully-diluted outstanding common stock of the surviving entity (the "Issuance").

In connection with the Merger, the Company will (i) file with the Securities Exchange Commission (the "SEC") a combined registration statement and proxy statement on Form S-4 (including any amendment, supplements and exhibits thereto) (the "Proxy Statement/Registration Statement") with respect to the shares of Company Common Stock in the Merger and (ii) propose to amend the Company's Certificate of Incorporation to effect an increase in the Company's authorized shares to 300,000,000 (the "Authorized Share Increase") and a reverse stock split (the "Reverse Stock Split" and such amendment, the "Charter Amendment"). In addition, all options to purchase Celldex Common Stock outstanding as of the effective time of the Merger under Celldex's 2005 Equity Incentive Plan, shall be assumed by the Company in accordance with the Merger Agreement.

The Merger has been approved by the Company's Board of Directors. The Charter Amendment and Issuance contemplated by the Merger Agreement are subject to approval by the stockholders of the Company and the Merger and the transactions contemplated by the Merger Agreement are subject to approval by the stockholders of Celldex. In connection with the Merger, the continuing officers and directors of both the Company and Celldex have entered into six-month lock-up agreements, pursuant to which they are prohibited from selling their stock. Additionally, the two largest Celldex stockholders have entered into similar lock-up agreements for 12-months.

The transactions contemplated by the Merger Agreement are subject to the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, the authorization for listing on the NASDAQ Capital Market or the NASDAQ Global Market of the shares of Company Common Stock issued in connection with the Merger and other customary closing conditions set forth in the Merger Agreement. The Merger Agreement provides that the Company must pay to Celldex a termination fee of \$1,325,000 in certain circumstances, with an additional

obligation for each party to reimburse reasonable transaction-related expenses of the other party in certain circumstances, up to an aggregate cap of \$250,000. The Merger is currently expected to close in the first quarter of 2008.

The foregoing description of the Merger Agreement is not complete and is qualified in its entirety by reference to the Merger Agreement, which is filed as Exhibit 2.1 hereto and is incorporated herein by reference.

Item 3.03. Material Modification to Rights of Security Holders

In connection with the Merger, the Company and Computershare Trust Company, N.A. (f/k/a EquiServe Trust Company, N.A.) (the "Rights Agent"), entered into the First Amendment (the "Rights Amendment") to the Shareholders Rights Agreement, dated as of November 5, 2004 (the "Rights Agreement"). The Rights Amendment provides that (i) neither Merger Sub or Celldex or any of their Affiliates and Associates (as those terms are defined in the Rights Agreement), will be deemed to be an "Acquiring Person", a "Beneficial Owner" or a "Principal Party" solely by virtue or as a result of the approval, execution, delivery, adoption or performance of the Merger Agreement, the commencement or consummation of the Merger, the Issuance, the filing of the Charter Amendment or any other transactions contemplated thereby, (such actions described in this sentence, the "Permitted Events") and (ii) no "Stock Acquisition Date" or "Distribution Date" will be deemed to have occurred solely by virtue or as a result of the public announcement of any Permitted Event.

2

The foregoing description of the Rights Amendment is qualified in its entirety by reference to such Rights Amendment, which was filed as Exhibit 10.1 to the Form 8-A/A filed by the Company with the Securities and Exchange Commission on October 22, 2007, and which is incorporated herein by reference.

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

Compensatory Arrangements of Certain Officers.

On October 12, 2007, the Compensation Committee approved an amendment to the Amended and Restated Employment Agreement (the "Employment Agreement") by and between the Company and Una S. Ryan, Ph.D. (the "CEO"), dated as of August 20, 1998 (the "Amendment"). The Amendment provides that (i) the term of the CEO's employment will terminate on the thirteen month anniversary of the Merger unless otherwise extended and (ii) in the event of termination of employment without cause by the Company or by the CEO for good reason, or if the CEO is terminated by the Company on or after the first anniversary of the Merger for any reason or resigns, the Company will make a retirement payment to the CEO in the amount of \$1,323,203. Further, the CEO's Employment Agreement was amended with respect to certain technical amendments to comply with Section 409A of the Internal Revenue Code. The Amendment requires a six-month delay to the payment of severance to the CEO to the extent required by Section 409A of the Internal Revenue Code to avoid the imposition of the 20 percent excise tax. If a six-month delay is required, the Company has agreed to promise interest at the short-term applicable federal rate.

This description of the Amendment to the CEO's agreement is qualified in its entirety by reference to the amendment attached as Exhibit 10.2 hereto and incorporated herein by reference.

Compensatory Plans

Pursuant to the Merger Agreement, at the effective time of the Merger, all outstanding and unexercised stock options of the Company will terminate in accordance with their terms, as the Merger will constitute a "change in control" as defined in the plan. Restricted stock units granted pursuant to the 1999 Stock Option and Incentive Plan, as amended, shall continue and remain in effect on or after the effective time of the Merger, subject to the same terms and conditions set forth in the agreement pursuant to which such restricted stock units were issued.

On October 19, 2007, the Board of Directors also resolved to suspend the Company's 2004 Employee Stock Purchase Plan, prior to the consummation of the Merger. Further the Board of Directors resolved to adopt and declare advisable the AVANT Immunotherapeutics, Inc. 2008 Stock Option and Incentive Plan, subject to shareholder approval.

This description of the AVANT Immunotherapeutics, Inc. 2008 Stock Option and Incentive Plan is qualified in its entirety by reference to the document attached as Exhibit 10.3 hereto and incorporated herein by reference.

ADDITIONAL INFORMATION ABOUT THE MERGER AND WHERE TO FIND IT

The Company intends to file a Proxy Statement/Registration Statement of Form S-4 with the SEC with respect to the shares of Common Stock in the Merger. Investors and security holders are advised to read the proxy statement/prospectus (including any amendments or supplements thereto) regarding the proposed Merger when it becomes available because it contains important information about the Company, Celldex and the proposed transaction and other related matters. The proxy statement/prospectus will be sent to stockholders of the Company seeking their approval of the proposed transaction. Investors and security holders may obtain a free copy of the proxy statement/prospectus and any amendments or supplements thereto (when they are available) and other documents filed by the Company at the Securities and Exchange Commission's web site at www.sec.gov. The proxy statement/prospectus and such other documents may also be obtained for free by directing such request to

3

AVANT Immunotherapeutics, Inc. 119 Fourth Avenue, Needham, Massachusetts 02494, **Attn:** Una Ryan/Avery "Chip" Catlin, tel: (781) 433-0771; **e-mail:** info@avantimmune.com

SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

This Current Report on Form 8-K contains “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are typically preceded by words such as “believes,” “ expects,” “anticipates,” “intends,” “will,” “may,” “should,” or similar expressions. These forward-looking statements are subject to risks and uncertainties that may cause actual future experience and results to differ materially from those discussed in these forward-looking statements. Important factors that might cause such a difference include, but are not limited to, costs related to the merger, failure of Celldex’s stockholders to approve the Merger; AVANT’s or Celldex’s inability to satisfy the conditions of the Merger; AVANT’s inability to maintain its NASDAQ listing; the risk that AVANT’s and Celldex’s businesses will not be integrated successfully; the combined company’s inability to further identify, develop and achieve commercial success for new products and technologies; the possibility of delays in the research and development necessary to select drug development candidates and delays in clinical trials; the risk that clinical trials may not result in marketable products; the risk that the combined company may be unable to successfully secure regulatory approval of and market its drug candidates; the risks associated with reliance on outside financing to meet capital requirements; risks associated with Celldex’s new and uncertain technology; risks of the development of competing systems; risks related to the combined company’s ability to protect its proprietary technologies; risks related to patent-infringement claims; risks of new, changing and competitive technologies and regulations in the U.S. and internationally; and other events and factors disclosed previously and from time to time in AVANT’s filings with the Securities and exchange Commission, including AVANT’s Annual Report on Form 10-K for the year ended December 31, 2006. The Companies do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

This Current Report on Form 8-K may be deemed to be solicitation material in respect of the proposed merger of AVANT and Celldex. In connection with the proposed merger, AVANT and Celldex intend to file relevant materials with the SEC, including AVANT’s Proxy Statement/Registration Statement on Form S-4. **SHAREHOLDERS OF AVANT ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING AVANT’S PROXY STATEMENT/REGISTRATION STATEMENT ON FORM S-4, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.** Investors and security holders will be able to obtain the documents free of charge at the SEC’s web site, <http://www.sec.gov>, and AVANT shareholders will receive information at an appropriate time on how to obtain transaction-related documents for free from AVANT. Such documents are not currently available.

The directors and executive officers of AVANT and Celldex may be deemed to be participants in the solicitation of proxies from the holders of AVANT common stock in respect of the proposed transaction. Information about the directors and executive officers of AVANT is set forth in the proxy statement for AVANT’s most recent 10-K, which was filed with the SEC on March 16, 2007. Investors may obtain additional information regarding the interest of AVANT and its directors and executive officers, and Celldex and its directors and executive officers in the proposed transaction by reading the proxy statement regarding the acquisition when it becomes available.

Item 9.01. Financial Statements and Exhibits.

The following exhibits are furnished with this report:

<u>Exhibit</u>	<u>Description</u>
2.1*	Agreement and Plan of Merger dated as of October 19, 2007 by and among the Company, Callisto Merger Corporation and Celldex Therapeutics, Inc.
10.1	Amendment No. 1 to Shareholder Rights Amendment dated November 5, 2004, between the Company and Computershare Trust Company, N.A. (formerly EquiServe Trust Company, N.A.), as Rights Agent, incorporated by reference to Exhibit 10.1 of the Company’s Form 8-A/A, filed October 22, 2007.

4

10.2	Third Amendment to Amended and Restated Employment Agreement dated as of October 19, 2007, between the Company and Una S. Ryan, Ph.D.
10.3	AVANT Immunotherapeutics, Inc. 2008 Stock Option and Incentive Plan
99.1	Joint Press Release dated October 22, 2007

* The schedules to this agreement have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K. The Company will furnish copies of any schedules to the Securities and Exchange Commission upon request.

5

SIGNATURES

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.

AVANT IMMUNOTHERAPEUTICS, INC.

Dated: October 22, 2007

By: /s/ Avery W. Catlin
 Avery W. Catlin
 Title: Senior Vice President and
 Chief Financial Officer

6

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

AVANT IMMUNOTHERAPEUTICS, INC.,

CALLISTO MERGER CORPORATION

AND

CELLDEX THERAPEUTICS, INC.

Dated as of October 19, 2007

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I THE MERGER	1
1.1. THE MERGER	1
1.2. CLOSING	2
1.3. EFFECTIVE TIME	2
1.4. EFFECT OF THE MERGER	2
1.5. SURVIVING CORPORATION CERTIFICATE OF INCORPORATION; BYLAWS	2
1.6. DIRECTORS AND OFFICERS	2
1.7. CONVERSION OF MERGER SUB COMMON STOCK	3
1.8. EFFECT ON CELLDEX CAPITAL STOCK	3
1.9. EXCHANGE OF CERTIFICATES	4
1.10. STOCK TRANSFER BOOKS	5
1.11. NO FURTHER OWNERSHIP RIGHTS IN CELLDEX COMMON STOCK AND CELLDEX CLASS A COMMON STOCK	6
1.12. LOST, STOLEN OR DESTROYED CERTIFICATES	6
1.13. TAX CONSEQUENCES	6
1.14. BOARD OF DIRECTORS AND MANAGEMENT OF AVANT	6
1.15. SHARES	7
1.16. REVERSE STOCK SPLIT	7
1.17. AVANT EMPLOYEE STOCK PURCHASE PLAN	7
ARTICLE II REPRESENTATIONS AND WARRANTIES OF CELLDEX	7
2.1. ORGANIZATION OF CELLDEX	7
2.2. CAPITAL STRUCTURE	8
2.3. OBLIGATIONS WITH RESPECT TO CAPITAL STOCK	8
2.4. AUTHORITY	9
2.5. CELLDEX FINANCIAL STATEMENTS	10
2.6. ABSENCE OF CERTAIN CHANGES OR EVENTS	10
2.7. TAXES	11
2.8. VOTING REQUIREMENTS	12
2.9. FAIRNESS OPINION	12
2.10. INTELLECTUAL PROPERTY	12
2.11. COMPLIANCE; PERMITS; RESTRICTIONS	13
2.12. LITIGATION	17
2.13. BROKERS' AND FINDERS' FEES	17
2.14. EMPLOYEE BENEFIT PLANS	17
2.15. ABSENCE OF LIENS AND ENCUMBRANCES; CONDITION OF EQUIPMENT.	19
2.16. ENVIRONMENTAL MATTERS	19
2.17. LABOR MATTERS	20
2.18. AGREEMENTS, CONTRACTS AND COMMITMENTS	21
2.19. BOARD AND STOCKHOLDER APPROVAL	22

2.20. BOOKS AND RECORDS	22
2.21. RESTRICTIONS ON BUSINESS ACTIVITIES	22
2.22. REAL PROPERTY LEASES	22
2.23. INSURANCE	23
2.24. CERTAIN BUSINESS PRACTICES	24
2.25. SUPPLIERS AND MANUFACTURERS; EFFECT OF TRANSACTION	24

2.26.	GOVERNMENT CONTRACTS	24
2.27.	INTERESTED PARTY TRANSACTIONS	24
2.28.	PROXY STATEMENT; REGISTRATION STATEMENT	25
2.29.	STATE TAKEOVER LAWS	25

ARTICLE III REPRESENTATIONS AND WARRANTIES OF AVANT AND MERGER SUB 25

3.1.	ORGANIZATION OF AVANT AND MERGER SUB	25
3.2.	OWNERSHIP OF MERGER SUB; NO PRIOR ACTIVITIES	26
3.3.	AVANT AND MERGER SUB CAPITAL STRUCTURE	26
3.4.	OBLIGATIONS WITH RESPECT TO CAPITAL STOCK	26
3.5.	AUTHORITY	27
3.6.	SEC REPORTS; AVANT FINANCIAL STATEMENTS	28
3.7.	ABSENCE OF CERTAIN CHANGES OR EVENTS	29
3.8.	TAXES	29
3.9.	BOARD APPROVAL	30
3.10.	VALID ISSUANCE	30
3.11.	VOTING REQUIREMENTS	30
3.12.	FAIRNESS OPINION	30
3.13.	INTELLECTUAL PROPERTY	31
3.14.	COMPLIANCE; PERMITS; RESTRICTIONS	32
3.15.	LITIGATION	35
3.16.	BROKERS' AND FINDERS' FEES	35
3.17.	EMPLOYEE BENEFIT PLANS	35
3.18.	ABSENCE OF LIENS AND ENCUMBRANCES; CONDITION OF EQUIPMENT	37
3.19.	ENVIRONMENTAL MATTERS	37
3.20.	LABOR MATTERS	38
3.21.	AGREEMENTS, CONTRACTS AND COMMITMENTS	39
3.22.	SEVERANCE PAYMENTS	40
3.23.	RESTRICTIONS ON BUSINESS ACTIVITIES	40
3.24.	REAL PROPERTY LEASES	40
3.25.	INSURANCE	41
3.26.	CERTAIN BUSINESS PRACTICES	41
3.27.	SUPPLIERS AND MANUFACTURERS; EFFECT OF TRANSACTION	42
3.28.	GOVERNMENT CONTRACTS	42
3.29.	INTERESTED PARTY TRANSACTIONS	42
3.30.	REGISTRATION STATEMENT; PROXY STATEMENT	42
3.31.	STATE TAKEOVER LAWS; AVANT RIGHTS AGREEMENT	43

ARTICLE IV CONDUCT OF BUSINESS PENDING THE MERGER 43

4.1.	CONDUCT OF BUSINESS BY CELLDDEX	43
4.2.	CONDUCT OF BUSINESS BY AVANT AND MERGER SUB	45
4.3.	Celldex NON-SOLICITATION	49
4.4.	AVANT NON-SOLICITATION	51

ARTICLE V ADDITIONAL AGREEMENTS 51

5.1.	REGISTRATION STATEMENT; PROXY STATEMENT	51
5.2.	MEETING OF AVANT STOCKHOLDERS	52
5.3.	ACCESS TO INFORMATION; CONFIDENTIALITY	52
5.4.	CONSENTS; APPROVALS	53
5.5.	STOCK OPTIONS, RESTRICTED STOCK UNITS AND WARRANTS	55
5.6.	SECTION 16 MATTERS	56
5.7.	INDEMNIFICATION AND INSURANCE	56
5.8.	NOTIFICATION OF CERTAIN MATTERS	58
5.9.	FURTHER ACTION	58
5.10.	PUBLIC ANNOUNCEMENTS	58
5.11.	LISTING OF AVANT COMMON STOCK	59
5.12.	CONVEYANCE TAXES	59
5.13.	TAX-FREE REORGANIZATION	59
5.14.	BOARD OF DIRECTORS RESIGNATIONS	59
5.15.	EMPLOYMENT AND BENEFIT MATTERS	60
5.16.	LOCKUP AGREEMENTS	61
5.17.	TAKEOVER STATUTES	61
5.18.	OBLIGATIONS OF MERGER SUB	61
5.19.	STOCKHOLDER LITIGATION	61
5.20.	AFFILIATE LETTERS	61

ARTICLE VI CONDITIONS TO THE MERGER 62

6.1.	CONDITIONS TO OBLIGATION OF EACH PARTY TO EFFECT THE MERGER	62
------	---	----

6.2.	ADDITIONAL CONDITIONS TO OBLIGATIONS OF AVANT AND AVANT MERGER SUB	63
6.3.	ADDITIONAL CONDITIONS TO OBLIGATIONS OF CELLDX	63

ARTICLE VII TERMINATION **64**

7.1.	TERMINATION	64
7.2.	NOTICE OF TERMINATION; EFFECT OF TERMINATION	65
7.3.	FEES AND EXPENSES	66

ARTICLE VIII GENERAL PROVISIONS **67**

8.1.	EFFECTIVENESS OF REPRESENTATIONS, WARRANTIES AND AGREEMENTS	67
8.2.	NOTICES	67
8.3.	CERTAIN DEFINITIONS	68
8.4.	AMENDMENT	71

8.5.	WAIVER	71
8.6.	HEADINGS	72
8.7.	SEVERABILITY	72
8.8.	ENTIRE AGREEMENT	72
8.9.	ASSIGNMENT	72
8.10.	PARTIES IN INTEREST	72
8.11.	FAILURE OR INDULGENCE NOT WAIVER; REMEDIES CUMULATIVE	72
8.12.	GOVERNING LAW	72
8.13.	OTHER REMEDIES; SPECIFIC PERFORMANCE	72
8.14.	COUNTERPARTS	73

Exhibits:

Exhibit A	Amended AVANT Rights Agreement
Exhibit B	Form of Lock-Up Agreement
Exhibit C	Form of Affiliate Letter

Disclosure Schedules:

Celldex Disclosure Schedule
AVANT Disclosure Schedule

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER, dated as of October 19, 2007 (the “**Agreement**”), among AVANT Immunotherapeutics, Inc., a Delaware corporation (“**AVANT**”), Callisto Merger Corporation, a Delaware corporation and wholly-owned subsidiary of AVANT (“**Merger Sub**”), Celldex Therapeutics, Inc., a Delaware corporation (“**Celldex**”).

RECITALS:

WHEREAS, the Boards of Directors of AVANT, Merger Sub and Celldex have each determined that it is advisable and in the best interests of their respective stockholders for such parties to enter into a business combination upon the terms and subject to the conditions set forth herein, pursuant to which Merger Sub will, in accordance with the Delaware General Corporation Law (“**Delaware Law**”) and subject to the terms and conditions set forth herein, merge (the “**Merger**”) with and into Celldex (with Celldex surviving the Merger) and becoming a wholly-owned subsidiary of AVANT;

WHEREAS, pursuant to the Merger, AVANT will acquire all of the outstanding equity securities of Celldex by way of merger of Merger Sub with and into Celldex and AVANT will issue shares of AVANT Common Stock, par value \$.001 per share (the “**AVANT Common Stock**”), to Celldex stockholders (and option holders) in consideration for the Merger;

WHEREAS, the parties desire to effect a reverse stock split of the AVANT Common Stock immediately prior to the issuance of AVANT Common Stock in connection with the consummation of the Merger;

WHEREAS, AVANT, Merger Sub and Celldex intend, by approving resolutions authorizing this Agreement, to adopt this Agreement as a plan of reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and the regulations thereunder, and to cause the Merger to qualify as a reorganization under the provisions of Section 368(a) of the Code;

WHEREAS, AVANT, Merger Sub and Celldex desire to make certain representations and warranties and enter into other agreements in connection with the Merger and pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, AVANT, Merger Sub and Celldex hereby agree as follows:

ARTICLE I

THE MERGER

1.1. **THE MERGER.** At the Effective Time (as defined in Section 1.3), and subject to and upon the terms and conditions of this Agreement and Delaware Law, Merger Sub shall be merged with and into Celldex, the separate corporate existence of Merger Sub shall cease, and Celldex shall continue as the surviving corporation in the Merger (the “**Surviving Corporation**”).

1.2. **CLOSING.** Unless this Agreement shall have been terminated and the transactions herein contemplated shall have been abandoned pursuant to Section 7.1, and subject to the satisfaction or waiver of the conditions set forth in Article VI, the consummation of the Merger will take place as promptly as practicable (and in any event within two (2) Business Days) after satisfaction or waiver of the conditions set forth in Article VI, at the offices of Goodwin Procter LLP, Exchange Place, 53 State Street, Boston, Massachusetts 02109, unless another date, time or place is agreed to in writing by the parties hereto (the “**Closing**” and the date of the Closing shall be referred to as the “**Closing Date**”).

1.3. **EFFECTIVE TIME.** On the Closing Date, subject to the provisions of this Agreement, the parties hereto shall cause the Merger to be consummated by filing a Certificate of Merger in accordance with the relevant provisions of Delaware Law (the “**Certificate of Merger**”), with the Secretary of State of the State of Delaware, in such form as required by, and executed in accordance with the relevant provisions of, Delaware Law. The Merger shall be effective upon filing of such Certificate of Merger or such later time which the parties hereto shall have agreed upon and designated in such filing as the effective time of the Merger (the time of such filing being the “**Effective Time**” and the date on which the Effective Time occurs shall be the “**Effective Date**”).

1.4. **EFFECT OF THE MERGER.** At the Effective Time, the effect of the Merger shall be as provided in this Agreement, the Certificate of Merger and the applicable provisions of Delaware Law. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the property, rights, privileges, powers and franchises of Merger Sub shall vest in the Surviving Corporation, and all debts, liabilities, obligations and duties of Merger Sub shall become the debts, liabilities, obligations and duties of the Surviving Corporation.

1.5. **SURVIVING CORPORATION CERTIFICATE OF INCORPORATION; BYLAWS.**

(a) **Certificate of Incorporation.** The Certificate of Incorporation of Celldex shall be amended and restated in its entirety as part of the Merger to be in the form of the Certificate of Incorporation of Merger Sub, as in effect immediately prior to the Effective Time (with the name changed as mutually agreed upon), until thereafter amended as provided by Delaware Law and such Certificate of Incorporation.

(b) **Bylaws.** The Bylaws of Celldex, as in effect immediately prior to the Effective Time, shall be amended and restated in their entirety to be in the form of the Bylaws of Merger Sub (with the names changed as mutually agreed upon), until thereafter amended as provided by Delaware Law, such Certificate of Incorporation and such Bylaws.

1.6. **DIRECTORS AND OFFICERS.** The directors of the Surviving Corporation immediately following the Effective Time shall be fixed at two (2) and shall be Dr. Una Ryan and Anthony Marucci, each to hold office in accordance with the Certificate of Incorporation and Bylaws of the Surviving Corporation. The officers of the Surviving Corporation shall be the initial officers of the Surviving Corporation, in each case until their respective successors are duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the Certificate of Incorporation or Bylaws of the Surviving Corporation.

1.7. **CONVERSION OF MERGER SUB COMMON STOCK.** At the Effective Time, by virtue of the Merger and pursuant to the terms provided herein, and without any action on the part of Celldex, AVANT or Merger Sub, each of the shares of the common stock, par value \$.01 per share, of Merger Sub issued and outstanding immediately prior to the Effective Time shall be automatically converted into one (1) share of common stock, par value \$0.01, the Surviving Corporation and following the Effective Time, all such shares in the aggregate shall constitute all of the issued and outstanding shares of capital stock of the Surviving Corporation.

1.8. **EFFECT ON CELLDEX CAPITAL STOCK.** At the Effective Time, by virtue of the Merger and pursuant to the terms provided herein, and without any action on the part of AVANT, Celldex or the holders of any of the following securities except as provided herein:

(a) **Conversion of Celldex Shares.** Each Share (as defined in Section 1.15) issued and outstanding immediately prior to the Effective Time (other than Shares subject to Section 1.8(b) below) shall be automatically converted into the right to receive that number of validly issued, fully paid and nonassessable shares of AVANT Common Stock equal to the quotient resulting from (x) the excess of (I) the product of (A) 1.380952 multiplied by (B) the sum of the total number of fully diluted shares of AVANT Common Stock outstanding as of the Effective Time (i.e., including shares issuable upon exercise of options, warrants or similar convertible securities other than those that terminate unexercised as of the Effective Time) plus the Options Pool Amount, less (II) the Additional Shares (as defined below) **divided by** (y) the total number of fully diluted Shares outstanding as of the Effective Time (i.e., including Shares issuable upon exercise of options, warrants or similar convertible securities (“**Celldex Derivative Securities**”)) (such quotient, the “**Exchange Ratio**” and the shares issued thereby the “**Merger Consideration**”). The “**Option Pool Amount**” shall mean 12,314,500 shares of AVANT Common Stock as adjusted pursuant to Section 1.8(d) and shall represent the options to be issued after the Effective Time to certain employees of the Surviving Corporation.

(b) **Cancellation.** Each Share held in the treasury of Celldex and each Share owned by AVANT or by Merger Sub immediately prior to the Effective Time shall, by virtue of the Merger and without any action on the part of the holder thereof, cease to be outstanding, be canceled and retired without payment of any consideration therefor and cease to exist.

(c) **Stock Options.** All options to purchase Celldex Common Stock outstanding as of the Effective Time under Celldex’s 2005 Equity Incentive Plan (the “**Celldex Stock Plan**”) shall be assumed by AVANT in accordance with Section 5.5.

(d) **Adjustments.** The Exchange Ratio and the Option Pool Amount shall be equitably adjusted to reflect fully the effect of any stock split, reverse split (including the Reverse Stock Split) (as defined in Section 1.16), stock dividend (including any dividend or distribution of securities convertible

into AVANT Common Stock or Shares), reorganization, recapitalization or other like change with respect to AVANT Common Stock occurring after the date hereof and prior to the Effective Time.

(e) Fractional Shares. No fraction of a share of AVANT Common Stock will be issued in the Merger, but in lieu thereof each holder of Shares who would otherwise be entitled to a fraction of a share of AVANT Common Stock (after aggregating all fractional shares of

3

AVANT Common Stock to be received by such holder) shall receive from AVANT an amount of cash (rounded to the nearest whole cent), without interest, equal to the product of (i) such fraction, multiplied by (ii) the average closing price of a share of AVANT Common Stock on The NASDAQ Capital Market (the "NASDAQ") over the ten (10) trading days ending on the second trading day prior to the Effective Time.

(f) Limitations on Aggregate Share Issuance. Notwithstanding anything to the contrary contained in this Agreement, the aggregate number of shares of AVANT Common Stock issuable in the Merger (including those underlying Celldex Derivative Securities) shall in no event exceed fifty-eight percent (58%) of the outstanding shares of AVANT Common Stock (on a fully-diluted basis and including for these purposes, the Option Pool Amount as outstanding) immediately after the Effective Time. The Exchange Ratio shall be automatically adjusted to effect this limitation.

1.9. EXCHANGE OF CERTIFICATES.

(a) Exchange Agent. AVANT shall deposit, pursuant to an Exchange Agent Agreement in form and substance satisfactory to Celldex, with a bank or trust company designated by AVANT and reasonably acceptable to Celldex (the "**Exchange Agent**"), in trust for the benefit of the Celldex stockholders, for exchange in accordance with Section 1.8 and this Section 1.9, through the Exchange Agent, (i) certificates evidencing the AVANT Common Stock issuable pursuant to this Agreement in exchange for outstanding Shares, and (ii) an amount of cash sufficient to permit the Exchange Agent to make necessary payments of cash in lieu of fractional shares of AVANT Common Stock in accordance with Section 1.8(e).

(b) Exchange Procedures. As soon as reasonably practicable after the Effective Time, AVANT will instruct the Exchange Agent to mail to each holder of record of a certificate or certificates which immediately prior to the Effective Time evidenced outstanding Shares (the "**Certificates**") (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Exchange Agent and shall be in customary form and have such other provisions as AVANT may reasonably specify after review by Celldex) and (ii) instructions to effect the surrender of the Certificates in exchange for the certificates evidencing shares of AVANT Common Stock and, in lieu of any fractional shares thereof, cash. Upon surrender of a Certificate for cancellation to the Exchange Agent together with such letter of transmittal, duly executed, and such other customary documents as may be required pursuant to such instructions, the holder of such Certificate shall be entitled to receive in accordance with the Exchange Ratio in respect of the Shares formerly evidenced by such Certificate, (B) any dividends or other distributions to which such holder is entitled pursuant to Section 1.9(c), and (C) cash in lieu of fractional shares of AVANT Common Stock to which such holder is entitled pursuant to Section 1.8(e), and the Certificate so surrendered shall forthwith be canceled. In the event of a transfer of ownership of Shares which are not registered in the transfer records of Celldex as of the Effective Time, AVANT Common Stock and cash may be issued and paid in accordance with this Article I to a transferee if the Certificate evidencing such Shares is presented to the Exchange Agent, accompanied by all documents required to evidence and effect such transfer pursuant to this Section 1.9(b) and by evidence that any applicable stock

4

transfer taxes have been paid. Until so surrendered, each outstanding Certificate that, prior to the Effective Time, represented Shares will be deemed from and after the Effective Time, for all corporate purposes, other than the payment of dividends in accordance with Section 1.9(c), if any, to evidence solely the right to receive the number of full shares of AVANT Common Stock into which such Shares shall have been so converted and the right to receive an amount in cash, without interest, in lieu of the issuance of any fractional shares in accordance with Section 1.8(e).

(c) Distributions with Respect to Unexchanged Shares. No dividends or other distributions declared or made after the Effective Time, with respect to AVANT Common Stock with a record date after the Effective Time, shall be paid to the holder of any unsurrendered Certificate until the holder of such Certificate shall surrender such Certificate. Subject to applicable law, following surrender of any such Certificate, there shall be paid to the record holder of the certificates representing whole shares of AVANT Common Stock issued in exchange therefor, without interest, at the time of such surrender, the amount of dividends or other distributions with a record date after the Effective Time previously paid with respect to such whole shares of AVANT Common Stock.

(d) Transfers of Ownership. If any certificate for shares of AVANT Common Stock is to be issued in a name other than that in which the Certificate surrendered in exchange therefor is registered, it will be a condition of the issuance thereof that the Certificate so surrendered be properly endorsed and otherwise in proper form for transfer and that the person requesting such exchange will have paid to AVANT or any person designated by it any transfer or other taxes required by reason of the issuance of a certificate for shares of AVANT Common Stock in any name other than that of the registered holder of the certificate surrendered, or established to the satisfaction of AVANT or any agent designated by it that such tax has been paid or is not payable.

(e) No Liability. Notwithstanding anything to the contrary in this Section 1.9, neither AVANT nor Celldex shall be liable to any holder of Celldex Common Stock, Celldex Class A Common Stock, Celldex Derivative Securities or AVANT Common Stock at the Effective Time for any Merger Consideration (or dividends or distributions with respect thereto) delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

(f) Withholding Rights. AVANT, the Surviving Corporation and the Exchange Agent shall be entitled to deduct and withhold from the Merger Consideration otherwise payable pursuant to this Agreement to any holder of Shares, such amounts as AVANT, the Surviving Corporation or the Exchange Agent is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state, local, provincial or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the Shares in respect of which such deduction and withholding was made by AVANT, the Surviving Corporation or the Exchange Agent.

1.10. STOCK TRANSFER BOOKS. At the Effective Time, the stock transfer books of Merger Sub and Celldex shall be closed, and there shall be no further registration of transfers of Merger Sub common stock or Shares thereafter on the records of Merger Sub or Celldex, respectively.

5

1.11. NO FURTHER OWNERSHIP RIGHTS IN CELLDEX COMMON STOCK AND CELLDEX CLASS A COMMON STOCK. The portion of the Merger Consideration delivered upon the surrender for exchange of Shares in accordance with the terms hereof shall be deemed to have been issued in full satisfaction of all rights pertaining to such Shares, and there shall be no further registration of transfers on the records of the Surviving Corporation of Shares which were outstanding immediately prior to the Effective Time. If, after the Effective Time, Certificates are presented to the Surviving Corporation for any reason, they shall be canceled and exchanged as provided in this Article I.

1.12. LOST, STOLEN OR DESTROYED CERTIFICATES. In the event any Certificates shall have been lost, stolen or destroyed, the Exchange Agent shall issue in exchange for such lost, stolen or destroyed Certificates, upon the making of an affidavit of that fact by the holder thereof, such shares of AVANT Common Stock as may be required pursuant to Section 1.8; provided, however, that AVANT may, in its sole discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed Certificates to deliver a bond in such sum as it may reasonably direct as indemnity against any claim that may be made against AVANT, the Surviving Corporation or the Exchange Agent with respect to the Certificates alleged to have been lost, stolen or destroyed.

1.13. TAX CONSEQUENCES. It is intended by the parties hereto that the Merger shall constitute a reorganization within the meaning of Section 368 of the Code. The parties hereto hereby adopt this Agreement as a “plan of reorganization” within the meaning of Sections 1.368-2(g) and 1.368-3(a) of the United States Treasury Regulations.

1.14. BOARD OF DIRECTORS AND MANAGEMENT OF AVANT.

(a) As of the Effective Time, the number of directors of AVANT shall be fixed at eight (8). As of the Effective Time, four (4) of the AVANT directors shall be Charles Schaller (who shall be Chairman of the Board), George Elston, Herbert Conrad and Raj Parekh (the “**Celldex Designees**”) and four (4) of the AVANT directors shall be Dr. Una Ryan, Harry Penner, Larry Ellberger and Karen Lipton (the “**AVANT Designees**”). Dr. Una Ryan shall be the Chief Executive Officer of AVANT.

(b) Celldex and AVANT agree that in the event that any Celldex Designee is unable or otherwise fails to serve, for any reason, as a director of AVANT at the Effective Time, Celldex shall have the right to designate another individual to serve as a director of AVANT at the Effective Time in place of such Celldex Designee (or if a vacancy shall be deemed to have occurred in respect thereof, Celldex shall have the right to fill such vacancy, notwithstanding any other provision to the contrary contained herein); provided, however, that such individual shall be reasonably satisfactory to AVANT. Celldex and AVANT shall each cause such designee of Celldex to be elected to the Board of Directors of AVANT at the Effective Time in place of such Celldex Designee.

(c) Celldex and AVANT agree that in the event that any AVANT Designee is unable or otherwise fails to serve, for any reason, as a director of AVANT at the Effective Time, AVANT shall have the right to designate another individual to serve as a director of AVANT at the Effective Time in place of such AVANT Designee (or if a vacancy shall be deemed to have

6

occurred in respect thereof, AVANT shall have the right to fill such vacancy, notwithstanding any other provision to the contrary contained herein); provided, however, that such individual shall be reasonably satisfactory to Celldex. Celldex and AVANT shall each cause such designee of AVANT to be elected to the Board of Directors of AVANT at the Effective Time in place of such AVANT Designee.

1.15. SHARES. When used in this Agreement, the term “**Shares**” shall mean the Celldex Common Stock and Celldex Class A Common Stock on the following basis: (i) with respect to the Celldex Common Stock, one Share shall represent one share of Celldex Common Stock and (ii) with respect to the Celldex Class A Common Stock, one Share shall represent one (1) share of Celldex Common Stock.

1.16. REVERSE STOCK SPLIT. Prior to the Effective Time, AVANT shall amend its Certificate of Incorporation to (i) increase the authorized shares of capital stock of AVANT (the “**Authorized Share Increase**”) to three hundred million (300,000,000) and (ii) effect a reverse stock split (the “**Reverse Stock Split**”), and shall take such other actions as shall be reasonably necessary to effectuate the Authorized Share Increase and the Reverse Stock Split. The size of the Reverse Stock Split will be mutually agreed upon by Celldex and AVANT.

1.17. AVANT EMPLOYEE STOCK PURCHASE PLAN. AVANT shall take all actions necessary to suspend AVANT 2004 Employee Stock Purchase Plan, as amended and/or modified (the “**AVANT ESPP**”) at the end of the current “**Offering**” (as such term is defined in the AVANT ESPP), which is scheduled to end on December 31, 2007 (the “**ESPP Date**”), until the Closing Date. As of the ESPP Date, no new offering or purchasing periods shall be commenced until after the Closing Date. In addition, AVANT shall take all actions as may be necessary in order to freeze the rights of the participants in the ESPP, effective as of the date of this Agreement, to existing participants and (to the extent possible under the ESPP) existing participation levels until after the Closing Date.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF CELLDEX

Celldex, hereby represents and warrants to AVANT and Merger Sub as follows, except as set forth in the written disclosure schedule delivered by Celldex to AVANT (the “**Celldex Disclosure Schedule**”). The Celldex Disclosure Schedule shall be arranged in sections and subsections corresponding to the numbered and lettered sections and subsections contained in this Article II; any information set forth in a particular section or subsection of the Celldex Disclosure Schedule shall be deemed to be disclosed in each other section or subsection thereof to which the relevance of such information is reasonably apparent. For purposes of this Agreement, the phrase “to the knowledge of Celldex” or “its subsidiaries” or any phrase of similar import shall mean and be limited to the actual knowledge of the individuals set forth on Section 2.0 of the Celldex Disclosure Schedule.

2.1. ORGANIZATION OF CELLDEx. Celldex and each of its subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, has all requisite corporate power and authority to own, lease and

7

operate its property and to carry on its business as now being conducted and as proposed to be conducted, and is duly qualified to do business and in good standing as a foreign corporation in each jurisdiction in which the failure to be so qualified would, individually or in the aggregate, have or be reasonably likely to have a Celldex Material Adverse Effect. Celldex has delivered or made available a true and correct copy of its and its subsidiaries' Certificates of Incorporation and Bylaws, each as amended to date, to AVANT. Section 2.1 of the Celldex Disclosure Schedule lists each subsidiary of Celldex, including its jurisdiction of incorporation.

2.2. CAPITAL STRUCTURE. As of the date hereof, the authorized capital stock of Celldex consists of 50,000,000 shares of Common Stock, par value \$.01 per share (the "Celldex Common Stock"), of which 13,300,000 shares are issued and outstanding, and 6,800,000 shares of Class A Common Stock, par value \$.01 per share, of which 6,800,000 are issued and outstanding and such shares are convertible on an one (1) share for one (1) share basis into 6,800,000 shares of Celldex Common Stock (the "Celldex Class A Common Stock"). No shares of capital stock are held in Celldex's treasury. All outstanding shares of Celldex Common Stock and Celldex Class A Common Stock are duly authorized, validly issued, fully paid and non-assessable and are not subject to preemptive rights created by statute, the Certificate of Incorporation or Bylaws of Celldex or any agreement or document to which Celldex or any of its subsidiaries is a party or by which it or any of its subsidiaries is bound, and were issued in compliance with all applicable federal and state securities laws. As of the date of the execution of this Agreement, Celldex has reserved an aggregate of 3,500,000 shares of Celldex Common Stock, net of exercises, for issuance to employees, consultants and non-employee directors pursuant to the Celldex 2005 Equity Incentive Plan, under which options are outstanding for an aggregate of 2,132,333 shares. All shares of Celldex Common Stock subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, would be duly authorized, validly issued, fully paid and non-assessable. The Board of Directors of Celldex has authorized Celldex to agree with each optionholder who is an employee or non-employee director to terminate his or her existing stock option grant, and to grant new options to such persons, such that up to 3,500,000 Celldex options will be outstanding as of the Closing. All shares of Celldex Common Stock subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, would be duly authorized, validly issued, fully paid and non-assessable. Section 2.2 of the Celldex Disclosure Schedule lists each holder of Celldex Common Stock and Celldex Class A Common Stock, each outstanding option and warrant to acquire shares of Celldex Common Stock or Celldex Class A Common Stock, as applicable, the name of the holder of such option or warrant, the number of shares subject to such option or warrant, the exercise price of such option or warrant, the number of shares as to which such option or warrant will have vested at such date, the vesting schedule and termination date of such option or warrant and whether the exercisability of such option or warrant will be accelerated in any way by the transactions contemplated by this Agreement, indicating the extent of acceleration, if any.

2.3. OBLIGATIONS WITH RESPECT TO CAPITAL STOCK. Except as set forth in Section 2.2 of the Celldex Disclosure Schedule and except for the convertibility of the Celldex Class A Common Stock into Celldex Common Stock, there are no equity securities of any class of Celldex, or any securities exchangeable or convertible into or exercisable for such equity securities, authorized, issued, reserved for issuance or outstanding. Except as set forth in Section 2.2 of the Celldex Disclosure Schedule, there are no options, warrants, equity securities,

8

calls, rights (including preemptive rights), commitments or agreements of any character to which Celldex or any of its subsidiaries is a party or by which it or any of its subsidiaries is bound obligating Celldex or its subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, or to repurchase, redeem or otherwise acquire, or cause the repurchase, redemption or acquisition of, any shares of capital stock of Celldex or its subsidiaries or obligating Celldex or its subsidiaries to grant, extend, accelerate the vesting of or enter into any such option, warrant, equity security, call, right, commitment or agreement. Except as set forth in Section 2.2 of the Celldex Disclosure Schedule, there are no registration rights and, to the knowledge of Celldex and its subsidiaries, there are no voting trusts, proxies or other agreements or understandings with respect to any equity security of any class of Celldex or its subsidiaries.

2.4. AUTHORITY.

(a) Celldex has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Celldex, subject only to the approval and adoption of this Agreement by the stockholders of Celldex and the filing and recordation of the Certificate of Merger pursuant to Delaware Law. This Agreement has been duly executed and delivered by Celldex and, assuming the due authorization, execution and delivery by the other parties hereto, constitutes the valid and binding obligation of Celldex, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy and other similar laws and general principles of equity. The execution and delivery of this Agreement does not, and the performance of this Agreement will not, (i) conflict with or violate the Certificate of Incorporation or Bylaws of Celldex, (ii) subject to compliance with the requirements set forth in Section 2.4(b) below, conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Celldex or its subsidiaries or by which its or its subsidiaries' properties are bound or affected, or (iii) except as would not reasonably be expected to have a Celldex Material Adverse Effect and subject to obtaining the consents set forth in Section 2.4 of the Celldex Disclosure Schedule, result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or impair Celldex's or its subsidiaries' rights or alter the rights of obligations of any third party under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or encumbrance on any of the properties or assets of Celldex or its subsidiaries pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Celldex or any of its subsidiaries is a party or by which Celldex or its subsidiaries or its or its subsidiaries' properties are bound or affected, except, with respect to clauses (ii) and (iii), for any such conflicts, violations, defaults or other occurrences that would not have a Celldex Material Adverse Effect. Section 2.4 of the Celldex Disclosure Schedule lists all material consents, waivers and approvals under any of Celldex's or its subsidiaries' agreements, contracts, licenses or leases required to be obtained in connection with the consummation of the transactions contemplated hereby.

(b) No consent, approval, license, permit, registration, waiver, qualification, order or authorization, or registration, declaration or filing, with or of, as appropriate ("Approval") of (i) any person or (ii) any Governmental Authority (as defined in Section 5.4 hereof) is required by or with respect to Celldex or its subsidiaries in connection with the execution and delivery of this

9

Agreement or any related agreements required to be executed by this Agreement or the consummation of the transactions contemplated hereby and thereby, except for (i) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware, (ii) such Approvals as may be required under applicable federal and state antitrust and securities laws and the laws of any foreign country and (iii) such other Approvals which, if not obtained or made, would not have a Celldex Material Adverse Effect.

2.5. CELLDEX FINANCIAL STATEMENTS.

(a) The audited consolidated financial statements (including any related notes thereto) of Celldex and its subsidiaries as of December 31, 2006 (collectively, the “**Celldex Financials**”) (x) were prepared in accordance with United States generally accepted accounting principles (“**GAAP**”) applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto), and (y) fairly presented the financial position of Celldex as at the respective dates thereof and the consolidated results of its operations and cash flows for the periods indicated. The balance sheet of Celldex as of December 31, 2006 is hereinafter referred to as the “**Celldex Balance Sheet**.” Except as disclosed in the Celldex Financials, Celldex and its subsidiaries have no liabilities (absolute, accrued, contingent or otherwise) of a nature required to be disclosed on a balance sheet prepared in accordance with GAAP or in the related notes to the consolidated financial statements that, individually or in the aggregate, have had or would reasonably be expected to have a Celldex Material Adverse Effect, except liabilities (i) provided for in the Celldex Balance Sheet, (ii) incurred since the date of the Celldex Balance Sheet in the ordinary course of business consistent with past practice in both type and amount or (iii) disclosed on the Celldex Disclosure Schedule.

(b) Celldex has designed and maintains adequate disclosure controls and procedures to ensure that material information relating to Celldex, including its subsidiaries, is made known to the Chief Executive Officer and the Chief Financial Officer of Celldex by others within those entities. To Celldex’s knowledge, there are no (i) material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect in any material respect Celldex’s ability to record, process, summarize and report financial information and (ii) fraud, or allegation of fraud, whether or not material, that involves management or other employees who have a significant role in Celldex’s internal controls over financial reporting.

(c) Celldex maintains a system of internal accounting controls designed to provide reasonable assurance that: (i) transactions are executed in accordance with management’s general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

2.6. **ABSENCE OF CERTAIN CHANGES OR EVENTS.** Except as set forth on Section 2.6 to the Celldex Disclosure Schedule, since the date of the Celldex Balance Sheet through the date of this Agreement, Celldex and its subsidiaries have conducted their business only in the ordinary course of business consistent with past practice, and there has not been:

10

(i) any event that has had, or that would be reasonably expected to result in, a Celldex Material Adverse Effect, (ii) any material change by Celldex or any of its subsidiaries in its accounting methods, principles or practices, except as required by concurrent changes in GAAP, (iii) any revaluation or disposition by Celldex or its subsidiaries of any of its assets having a Celldex Material Adverse Effect or (iv) any action taken or committed to be taken by Celldex or any of its subsidiaries that if taken after the date hereof would have required the consent of AVANT pursuant to Section 4.1.

2.7. **TAXES.** Celldex and its subsidiaries have prepared and timely filed or had prepared and timely filed on their behalf, all returns, declarations, reports, statements, information returns, claims for refund, and other documents filed or required to be filed, including any schedule or attachment thereto, and including any amendment thereof (“**Celldex Tax Returns**”) with respect to any and all federal, state, local and foreign taxes, assessments and other governmental charges, duties, impositions and liabilities, including, without limitation, gross receipts, income, profits, sales, use and occupation, value added, ad valorem, transfer, franchise, withholding, payroll, recapture, employment, excise, property, stamp, windfall profits, environmental, customs, capital stock, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, together with all interest, penalties and additions imposed with respect to such amounts and any obligations under any agreements or arrangements with any other person, including under Treasury Regulation Section 1.1502-6 (or similar provision of state, local or foreign law), with respect to such amounts and including any liability for taxes of a predecessor entity concerning or attributable to Celldex or its subsidiaries or to their operations (“**Celldex Taxes**”). All Celldex Tax Returns disclose all Celldex Taxes required to be paid for periods covered thereby. Copies of all Celldex Tax Returns filed after January 1, 2004 relating to Federal, state and local taxes have been delivered to AVANT.

In addition:

(a) Celldex and its subsidiaries: (i) have paid all Celldex Taxes they are obligated to pay whether or not reflected on any Celldex Tax Return; and (ii) have withheld and paid all federal, state, local and foreign taxes required to be withheld and paid in connection with amounts paid to their employees or to any other third party.

(b) There is no deficiency for Celldex Taxes outstanding, proposed in writing or assessed against Celldex and its subsidiaries that is not accurately reflected as a liability on the Celldex Balance Sheet, nor have Celldex or its subsidiaries executed any waiver of any statute of limitations on or extending the period for the assessment or collection of any Celldex Taxes.

(c) Celldex and its subsidiaries do not have any liability for unpaid Celldex Taxes that has not been properly accrued for under GAAP and reserved for on the Celldex Balance Sheet, whether asserted or unasserted, contingent or otherwise.

(d) Except as provided in Section 2.7(d) of the Celldex Disclosure Schedules, Celldex and its subsidiaries are not a party to any agreement, plan, arrangement or other contract covering any employee or independent contractor or former employee or independent contractor that, individually or collectively with any other such contracts, would result in the payment of

11

any amount that would not be deductible pursuant to Section 280G or Section 162(m) of the Code (or any comparable provision of state, local or foreign tax laws).

(e) Celldex and its subsidiaries are not, nor have ever been, a party to or bound by any tax indemnity agreement, tax sharing agreement, tax allocation agreement or similar contract or agreement. Neither Celldex nor any of its subsidiaries has been a member of an affiliated group filing a consolidated federal income tax return (other than a group the common parent of which was Celldex).

(f) Neither Celldex nor any of its subsidiaries has participated in a “listed transaction” that has given rise to a disclosure obligation under Section 6011 of the Code and the Treasury Regulations promulgated thereunder.

2.8. VOTING REQUIREMENTS. The affirmative vote of the holders of a majority of the voting power of the outstanding common stock of Celldex Common Stock and a majority of the outstanding Celldex Class A Common Stock are required to adopt this Agreement and approve the Merger.

2.9. FAIRNESS OPINION. The Board of Directors of Celldex has received the written opinion of Brean Murray, Carret & Co., LLC, financial advisor to Celldex, dated the date of this Agreement, to the effect that the consideration to be paid by AVANT in the Merger is fair to Celldex and its stockholders from a financial point of view.

2.10. INTELLECTUAL PROPERTY.

(a) “**Celldex IP Rights**” means all patents, trademarks, service marks, trade names, copyrights, domain names, trade secrets, and other intellectual property and proprietary rights worldwide (including, but not limited to, any registrations and applications with respect to any of the foregoing) that are owned by, licensed to, or used by Celldex or any of its subsidiaries. Listed on Section 2.10 of the Celldex Disclosure Schedule are: (i) all patents, patent applications, registered trademarks, trademark applications, registered service marks, service mark applications, registered copyrights and domain names owned by Celldex or any of its subsidiaries that are included in the Celldex IP Rights (the “**Celldex Owned IP**”); and (ii) all Celldex IP Rights Agreements (as defined below) pursuant to which Celldex or any of its subsidiaries grants to any third party, or is granted by any third party, any exclusive license or other exclusive right with respect to any Celldex IP Rights, or that otherwise is material to the business of Celldex or any of its subsidiaries. Except as set forth on Section 2.10 of the Celldex Disclosure Schedule, Celldex or its subsidiaries are the sole owners of all of the Celldex Owned IP. Celldex owns or possesses sufficient legal rights to (i) all trademarks, service marks, trade names, copyrights, domain names and trade secrets and (ii) the knowledge of Celldex and its subsidiaries, all patents and patent applications, as are necessary to the conduct of Celldex’s and its subsidiaries’ respective businesses as presently conducted, without infringing, misappropriating or violating the intellectual property rights of others, except for any failure to own or so possess that would not reasonably be expected to have a Celldex Material Adverse Effect.

12

(b) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not constitute a breach of any instrument or agreement governing any Celldex IP Rights, including, but not limited to, any instrument or agreement pursuant to which Celldex in-licenses or out-licenses any of the Celldex IP Rights (the “**Celldex IP Rights Agreements**”), will not cause the forfeiture or termination or give rise to a right of forfeiture or termination of any Celldex IP Rights or impair the right of Celldex, its subsidiaries or the Surviving Corporation to use, sell or license any Celldex IP Rights or portion thereof, except for the occurrence of any such breach, forfeiture, termination or impairment that would not individually or in the aggregate, reasonably be expected to result in a Celldex Material Adverse Effect. Each of the Celldex IP Rights Agreements is valid and binding on Celldex or its subsidiaries and in full force and effect. Celldex and its subsidiaries have not received any notice of termination or cancellation under such agreement, or received any notice of breach or default under such agreement, which breach has not been cured or waived. Celldex and its subsidiaries, and to the knowledge of Celldex and its subsidiaries, any other party to such agreement, is not in breach or default thereof in any material respect.

(c) (i) Neither the manufacture, marketing, license, sale nor intended use of any product or technology currently licensed or sold or under development by Celldex or its subsidiaries violates any license or agreement between Celldex or its subsidiaries and any third party or, to the knowledge of Celldex and its subsidiaries, infringes, misappropriates, or violates any patent rights, trade secrets or other intellectual property rights of any other party; (ii) to the knowledge of Celldex and its subsidiaries, no third party is infringing upon, misappropriating, or violating any license or agreement with Celldex or its subsidiaries relating to, any Celldex IP Rights; and (iii) to the knowledge of Celldex and its subsidiaries, there is no pending or threatened claim or litigation contesting the validity, ownership or right to use, sell, license or dispose of any Celldex IP Rights, nor has Celldex or any of its subsidiaries received any written notice asserting that any Celldex IP Rights or the proposed use, sale, license or disposition thereof conflicts or will conflict with the rights of any other party.

(d) Celldex and its subsidiaries have used reasonable efforts to maintain their material trade secrets in confidence, including entering into commercially reasonable licenses and contracts that generally require licensees, contractors and other third persons with access to such trade secrets to keep such trade secrets confidential and have otherwise taken reasonable and practicable steps designed to safeguard and maintain the secrecy and confidentiality of, and its proprietary rights in, all Celldex IP Rights.

2.11. COMPLIANCE; PERMITS; RESTRICTIONS.

(a) Celldex and its subsidiaries are not in conflict with, or in default or violation of (i) any law, rule, regulation, order, judgment or decree applicable to them or by which their properties are bound or affected, or (ii) any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Celldex or any of its subsidiaries is a party or by which Celldex or any of its subsidiaries or their properties are bound or affected, except for any conflicts, defaults or violations which, individually or in the aggregate, would not reasonably be expected to have a Celldex Material Adverse Effect. No investigation or review by any governmental or regulatory body or authority is pending or, to the knowledge of Celldex and its subsidiaries, threatened against Celldex or its subsidiaries, nor has

13

any governmental or regulatory body or authority indicated to Celldex or its subsidiaries an intention to conduct the same.

(b) Celldex and its subsidiaries hold all permits, licenses, variances, exemptions, orders and approvals from governmental authorities which are material to the operation of the business of Celldex and its subsidiaries (collectively, the “**Celldex Permits**”). Celldex and its subsidiaries are in compliance with the terms of the Celldex Permits, except where the failure to so comply would not reasonably be expected to have a Celldex Material Adverse Effect. No action, proceeding, revocation proceeding, amendment procedure, writ, injunction or claim is pending or, to the knowledge of Celldex and its subsidiaries, threatened, which seeks to revoke or limit any Celldex Permit. A true, complete and correct list of the material Celldex Permits is set forth in Section 2.11(b) of the Celldex Disclosure Schedule. The rights and benefits of each material Celldex Permit will be available to the Surviving Corporation or its subsidiaries immediately after the Effective Time on terms substantially identical to those enjoyed by Celldex and its subsidiaries immediately prior to the Effective Time.

(c) All biological and drug products being manufactured, distributed, developed or tested by or on behalf of Celldex or its subsidiaries (“**Celldex Products**”) that are subject to the jurisdiction of the Food and Drug Administration (“**FDA**”) are being manufactured, labeled, stored, tested, distributed, and marketed in compliance in all material respects with all applicable requirements under the Federal Food, Drug, and Cosmetic Act (“**FDCA**”), the Public Health Service Act (“**PHSA**”), their applicable implementing regulations, and all comparable federal and state laws and regulations including, but not limited to, those relating to investigational use, premarket clearance, good manufacturing practices, labeling, advertising, promotional activities, record keeping, filing of reports and security.

(d) All clinical trials conducted by or on behalf of Celldex or its subsidiaries are being conducted in material compliance with the applicable requirements of Good Clinical Practice, Informed Consent, and all applicable requirements relating to protection of human subjects contained in 21 CFR Parts 50, 54, and 56.

(e) All manufacturing operations for Celldex Products conducted by or for the benefit of Celldex or its subsidiaries are being conducted in accordance, in all material respects, with the FDA’s current Good Manufacturing Practices for drug and biological products. In addition, Celldex and its subsidiaries are in material compliance with all applicable registration and listing requirements set forth in 21 U.S.C. Section 360 and 21 CFR Part 207 and all similar applicable laws and regulations.

(f) Neither Celldex or its subsidiaries, nor any representative of Celldex or its subsidiaries, nor, to the knowledge of Celldex or its subsidiaries, any of Celldex’s or its subsidiaries’ licensees or assignees of Celldex IP Rights has received any notice that the FDA or any other Governmental Authority has initiated, or threatened to initiate, any action to suspend any clinical trial, suspend or terminate any Investigational New Drug Application sponsored by Celldex or its subsidiaries or otherwise restrict the preclinical research on or clinical study of any Celldex Product or any biological or drug product being developed by any licensee or assignee of Celldex IP Rights based on such intellectual property, or to recall, suspend or otherwise restrict the development or manufacture of any Celldex Product, except for such terminations,

14

suspensions or restrictions which, individually or in the aggregate, would not reasonably be expected to have a Celldex Material Adverse Effect.

(g) Neither Celldex or its subsidiaries nor, to the knowledge of Celldex or its subsidiaries, any of their officers, key employees (as set forth on Section 2.17(a) of the Celldex Disclosure Schedule), agents or clinical investigators acting for Celldex or its subsidiaries, has committed any act, made any statement or failed to make any statement that would reasonably be expected to provide a basis for the FDA to invoke its policy with respect to “Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities” set forth in 56 Fed. Reg. 46191 (September 10, 1991) and any amendments thereof. To the knowledge of Celldex, Celldex and its subsidiaries are not, and have not been, in material violation of the Federal Anti-Kickback Act, any Federal conspiracy statutes, the Prescription Drug Marketing Act (“**PDMA**”), Federal False Claims Act, Federal Stark Law or any other federal, foreign or state statute related to sales and marketing practices of pharmaceutical manufacturers and others involved in the purchase and sale of pharmaceutical products. Additionally, neither Celldex or its subsidiaries, nor to the knowledge of Celldex or its subsidiaries, any officer, key employee or agent of Celldex or its subsidiaries has been convicted of any crime or engaged in any conduct that would reasonably be expected to result in (i) debarment under 21 U.S.C. Section 335a or any similar state law or (ii) exclusion under 42 U.S.C. Section 1320a-7 or any similar state law or regulation.

(h) All human clinical trials, animal studies or other preclinical tests performed in connection with or as the basis for any regulatory approval required for the Celldex Products (1) either (x) have been conducted in accordance, in all material respects, with applicable Good Laboratory Practice requirements contained in 21 CFR Part 58, or (y) were not required to be conducted in accordance with Good Laboratory Practice requirements contained in 21 CFR Part 58 and (2) have employed the experimental protocols, procedures and controls generally used by qualified experts in human, animal or preclinical study of products comparable to those being developed by Celldex or its subsidiaries.

(i) Celldex and its subsidiaries have made available to AVANT copies of any and all written notices of inspectional observations, establishment inspection reports and any other documents received from the FDA, which indicate or suggest lack of compliance with the regulatory requirements of the FDA. Celldex and its subsidiaries have made available to AVANT for review all correspondence to or from the FDA, FDCA and PHSA, including minutes of meetings, written reports of phone conversations, visits or other contact with the FDA, FDCA or PHSA, notices of inspectional observations, establishment inspection reports, and all other documents concerning communications to or from the FDA, FDCA or PHSA, or prepared by the FDA, FDCA and PHSA or which bear in any way on Celldex’s and its subsidiaries’ compliance with regulatory requirements of the FDA, FDCA and PHSA, or on the likelihood of timing of approval of any Celldex Products, including, but not limited to, copies of (i) all warning letters and untitled letters, notices of adverse findings and similar correspondence received in the last three years, (ii) all FDA 483s and other audit reports performed during the last three years, and (iii) any document concerning any significant oral or written communication received from the FDA and comparable foreign governmental entities in the last three years. Neither Celldex nor any agent or representative of Celldex has received any notices or correspondence from the FDA or any other governmental agency requiring the termination, suspension or modification (other than such modifications as are normal in the regulatory

15

process) of any animal studies, preclinical tests or clinical trials conducted by or on behalf of Celldex or in which Celldex has participated, except for such terminations, suspensions or modifications which, individually or in the aggregate, would not reasonably be expected to have a Celldex Material Adverse

Effect.

(j) To the knowledge of Celldex, Celldex and its subsidiaries comply in all material respects with and maintain, and have continuously complied with and maintained systems and programs to ensure compliance with, all requirements of the FDCA, PHSA, PDMA and regulations issued thereunder, and similar or related foreign or domestic laws and regulations, pertaining to programs or systems regarding product quality, notification of facilities and products, corporate integrity, pharmacovigilance and conflict of interest including, but not limited to, Current Good Manufacturing Practice Requirements, Good Laboratory Practice Requirements, Establishment Registration and Product Listing requirements, requirements applicable to the debarment of individuals, requirements applicable to the conflict of interest of clinical investigators and Adverse Drug Reaction Reporting requirements.

(k) To the knowledge of Celldex, Celldex and its subsidiaries have complied in all material respects with their respective obligations to report accurate pricing information for their pharmaceutical products to the government and to pricing services relied upon by governmental entities and other payors for pharmaceutical products, including without limitation their obligation to report accurate "Average Sales Prices" under the Medicare Modernization Act of 2003 and their obligation to charge accurate federal Ceiling Prices to purchases entitled to those.

(l) To the knowledge of Celldex, neither Celldex nor any of its subsidiaries has engaged in an unlawful or unauthorized practice of medicine or other professionally licensed activities through any web sites sponsored or operated, or formerly sponsored or operated, by Celldex or any of its subsidiaries.

(m) To the knowledge of Celldex, Celldex and its subsidiaries have complied in all material respects and continue to comply in all material respects with the applicable administration simplification regulations published pursuant to the Health Insurance Portability and Accountability Act of 1996, including without limitation regulations governing the privacy and security of health information and the conduct of certain electronic transactions (collectively the "**HIPAA Regulations**"). To the knowledge of Celldex, there are no complaints or allegations against Celldex or any of its subsidiaries of any violations of the HIPAA Regulations, whether by a governmental entity, a patient, a plan member, a current or former employee or volunteer or any other person.

(n) To the knowledge of Celldex, Celldex and its subsidiaries have complied in all material respects with all export control laws, including those administered by the U.S. Department of Commerce and the U.S. Department of State, and asset control laws, including those administered by the U.S. Department of the Treasury.

(o) There are no proceedings pending with respect to a violation by Celldex or its subsidiaries of the FDCA, FDA regulations adopted thereunder, the Controlled Substance Act or any other legislation or regulation promulgated by any other United States Governmental Authority.

16

2.12. **LITIGATION.** Except as set forth on Section 2.12 of the Celldex Disclosure Schedule, as of the date of this Agreement, there is no action, suit, proceeding, claim, arbitration or investigation pending, or as to which Celldex or its subsidiaries have received any written notice of assertion, nor, to the knowledge of Celldex or its subsidiaries, is there any threatened action, suit, proceeding, claim for arbitration or investigation against Celldex or its subsidiaries, except as would not, individually or in the aggregate, have or reasonably be expected to have a Celldex Material Adverse Effect. There are no product liability claims pending against Celldex.

2.13. **BROKERS' AND FINDERS' FEES.** Other than Brean Murray, Carret & Co., LLC, Celldex and its subsidiaries have not incurred, nor will they incur, directly or indirectly, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement or any transaction contemplated hereby.

2.14. **EMPLOYEE BENEFIT PLANS.**

(a) Section 2.14(a) of the Celldex Disclosure Schedule lists all written and describes all material unwritten employee benefit plans (as defined in Section 3.3 of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) and all bonus, stock or other security option, stock or other security purchase, stock or other security appreciation rights, incentive, deferred compensation, retirement or supplemental retirement, profit sharing, severance, golden parachute, vacation, cafeteria, dependent care, medical care, employee assistance program, education or tuition assistance programs, insurance and other similar fringe or employee benefit plans, programs or arrangements, and any current or former employment or executive compensation or severance agreements, written or otherwise, which are currently sponsored, maintained, contributed to or entered into for the benefit of, or relating to, any present or former employee or director (or their dependents) of Celldex, or any trade or business (whether or not incorporated) which is a member of a controlled group or which is under common control with Celldex within the meaning of Section 414 of the Code (a "**Celldex ERISA Affiliate**"), (collectively, the "**Celldex Employee Plans**").

(b) With respect to each Celldex Employee Plan, Celldex has provided to AVANT a true and complete copy of, to the extent applicable, (i) such Celldex Employee Plan, (ii) the most recent annual reports (Form 5500) as filed with the United States Internal Revenue Service (the "**IRS**"), (iii) each trust agreement related to such Celldex Employee Plan, (iv) the most recent summary plan description for each Celldex Employee Plan for which such description is required, along with all summaries of material modifications, amendments, resolutions and all other material plan documentation related thereto and (v) the most recent IRS determination or opinion letter issued with respect to any Celldex Employee Plan.

(c) There are (i) no actions, claims or proceedings pending (other than routine claims for benefits in the ordinary course), or to the knowledge of Celldex threatened, with respect to any Celldex Employee Plan or the assets of any Celldex Employee Plan, (ii) no existing facts or circumstances that would reasonably be expected to give rise to any such actions, claims or proceedings, (iii) no administrative investigations, audits or other administrative proceedings by the U.S. Department of Labor ("**DOL**"), the IRS or other Governmental Authority, including any voluntary compliance submissions through the IRS's Employee Plans Compliance Resolution System or the DOL's Voluntary Fiduciary Correction Program, pending, in progress or, to the

17

knowledge of Celldex, threatened, and (iv) no current, or to the knowledge of Celldex threatened, encumbrances or liens on the assets of any Celldex Employee Plan. With respect to each Celldex Employee Plan, all reporting and disclosure requirements have been complied with in all material respects, all

returns have been timely filed and each Celldex Employee Plan that is intended to be qualified within the meaning of Section 401(a) of the Code has received a favorable determination or opinion letter from the IRS to the effect that such Celldex Employee Plan satisfies the requirements of Section 401(a) of the Code taking into account all changes in qualification requirements under Section 401(a) for which the applicable "remedial amendment period" under Section 401(b) of the Code has expired, and there are no facts or circumstances that could reasonably be expected to cause the loss of such qualification or the imposition of any liability, penalty or tax under ERISA, the Code or any other applicable laws. Each Celldex Employee Plan has been operated in all material respects in accordance with its terms and the requirements of all applicable law.

(d) No Celldex Employee Plan is an "employee pension benefit plan" (within the meaning of Section 3(2) of ERISA) subject to Title IV of ERISA, and neither Celldex nor any Celldex ERISA Affiliate has ever maintained, contributed to or partially or fully withdrawn from any such plan. No Celldex Employee Plan is a Multiemployer Plan or "single-employer plan under multiple controlled groups" as described in Section 4063 of ERISA, and neither Celldex nor any Celldex ERISA Affiliate has ever contributed to or had an obligation to contribute, or incurred any liability in respect of a contribution, to any Multiemployer Plan. No Celldex Employee Plan is a "multiple employer plan" within the meaning of Section 413(c) of the Code or Section 3(40) of ERISA.

(e) With respect to the employees and former employees of Celldex, there are no employee post-retirement medical or health plans or agreements in effect, except as required by Section 4980B of the Code or similar state law.

(f) Based on Celldex's good faith interpretation of the provisions of Section 409A of the Code and the guidance issued thereunder, any Celldex Employee Plan that is a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code has been operated in accordance with the requirements of Section 409A (including the Notices issued by the IRS thereunder).

(g) All contributions (including all employer contributions and employee salary reduction contributions) or premium payments required to have been made under the terms of any Celldex Employee Plan, and in accordance with applicable law (including pursuant to 29 C.F.R. Section 2510.3-102), as of the date hereof have been timely made or reflected on the Celldex's financial statements in accordance with GAAP.

(h) Except as set forth in Section 2.14(h) of the Celldex Disclosure Schedule, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in combination with another event) (i) result in any payment or benefit becoming due, or increase the amount of any compensation due, to any Celldex employee, (ii) increase any benefits otherwise payable under any Celldex Employee Plan, or (iii) result in the acceleration of the time of payment or vesting of any such compensation or benefits; and except as set forth in Section 2.14(h) of the Celldex Disclosure

18

Schedule no such payment or benefit will be characterized as an "excess parachute payment," as such term is defined in Section 280G of the Code. Except as set forth in Section 2.14(h) of the Celldex Disclosure Schedule, neither Celldex nor any of its subsidiaries is a party to any contract, arrangement or plan pursuant to which it is bound to compensate any person for any excise or other additional taxes under Section 409A or 4999 of the Code or any similar provision of state, local or foreign law.

(i) No Celldex Employee Plan is maintained in a jurisdiction outside of the United States or for employees outside of the United States.

2.15. **ABSENCE OF LIENS AND ENCUMBRANCES; CONDITION OF EQUIPMENT.** Celldex and its subsidiaries have good and valid title to, or, in the case of leased properties and assets, valid leasehold interests in, all material tangible properties and assets, real, personal and mixed, necessary for use in their business, free and clear of any liens or encumbrances except as reflected in the Celldex Financials and except for (a) liens for taxes not yet due and payable; (b) liens which secure a payment not yet due that arises, and is customarily discharged, in the ordinary course of Celldex's or its subsidiaries' business; (c) liens relating to capitalized lease financings or purchase money financings that have been entered into in the ordinary course of business and (d) liens arising solely by the action of AVANT (collectively, "**Permitted Liens**"). Each of the material tangible assets is in a good state of maintenance and repair, and in good operating condition (subject to normal wear and tear) and is suitable for the purposes for which it presently is used.

2.16. **ENVIRONMENTAL MATTERS.**

(a) **Hazardous Material.** Except as would not reasonably be expected to have a Celldex Material Adverse Effect, no underground storage tanks and no amount of any substance that has been designated by any Governmental Authority (as defined in Section 5.4) or by applicable federal, state or local law, to be radioactive, toxic, hazardous or otherwise a danger to health or the environment, including, without limitation, PCBs, asbestos, petroleum, urea-formaldehyde and all substances listed as hazardous substances pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, or defined as a hazardous waste pursuant to the United States Resource Conservation and Recovery Act of 1976, as amended, and the regulations promulgated pursuant to said laws, but excluding office and janitorial supplies (a "**Hazardous Material**"), are present, as a result of the deliberate actions of Celldex or its subsidiaries, or, to Celldex's and its subsidiaries' knowledge, as a result of any actions of any third party or otherwise, in, on or under any property, including the land and the improvements, ground water and surface water thereof, that Celldex or any of its subsidiaries have at any time owned, operated, occupied or leased, other than those Hazardous Materials used in the ordinary course of Celldex's business consistent with past practice.

(b) **Hazardous Material Activities.** Except as would not reasonably be expected to have a Celldex Material Adverse Effect, Celldex and its subsidiaries have not transported, stored, used, manufactured, disposed of, released or exposed their employees or others to Hazardous Materials in violation of any law in effect on or before the date hereof, nor has Celldex or its subsidiaries disposed of, transported, sold, or manufactured any product containing a Hazardous Material (collectively, "**Hazardous Material Activities**") in violation of any rule, regulation,

19

treaty or statute promulgated by any Governmental Authority in effect prior to or as of the date hereof to prohibit, regulate or control Hazardous Materials or any Hazardous Material Activity.

(c) **Permits.** Celldex and its subsidiaries currently hold all environmental approvals, permits, licenses, clearances and consents (the "**Celldex Environmental Permits**") necessary for the conduct of Celldex's and its subsidiaries' Hazardous Material Activities and other businesses of Celldex and its

subsidiaries as such activities and businesses are currently being conducted, except where the failure to so hold would not reasonably be expected to have a Celldex Material Adverse Effect.

(d) Environmental Liabilities. Except as would not reasonably be expected to have a Celldex Material Adverse Effect, no material action, proceeding, revocation proceeding, amendment procedure, writ, injunction or claim is pending, or to the knowledge of Celldex or its subsidiaries, threatened concerning any Celldex Environmental Permit, Hazardous Material or any Hazardous Material Activity of Celldex or its subsidiaries.

2.17. LABOR MATTERS.

(a) Section 2.17(a) of the Celldex Disclosure Schedule sets forth a true, complete and correct list of all key employees and employees of Celldex and its subsidiaries along with their position, actual annual rate of compensation. All employees have entered into nondisclosure and assignment of inventions agreements with Celldex or its subsidiaries, true, complete and correct copies of which have previously been made available to AVANT. To the knowledge of Celldex and its subsidiaries, no employee of Celldex or its subsidiaries is in violation of any term of any patent disclosure agreement, non-competition agreement, or any restrictive covenant (i) to Celldex or its subsidiaries, or (ii) to a former employer relating to the right of any such employee to be employed because of the nature of the business conducted by Celldex or its subsidiaries or to the use of trade secrets or proprietary information of others. No key employee or group of employees has threatened to terminate employment with Celldex or its subsidiaries nor, to the knowledge of Celldex or its subsidiaries (which, for purposes of this representation only, shall mean actual knowledge), has plans to terminate such employment.

(b) Neither Celldex or any of its subsidiaries are parties to or bound by any collective bargaining agreement, nor is any such collective bargaining agreement being negotiated. Celldex has not experienced any strikes, grievances, claims of unfair labor practices or other collective bargaining disputes, and to the knowledge of Celldex, none are threatened.

(c) To Celldex's knowledge, Celldex and its subsidiaries (i) have no direct or indirect liability with respect to any misclassification of any person as an independent contractor rather than as an employee, (ii) are in compliance in all material respects with all applicable foreign, federal, state and local laws respecting employment, employment practices, labor relations, employment discrimination, health and safety, terms and conditions of employment and wages and hours, and (iii) have not received any written remedial order or notice of offense under applicable occupational health and safety law.

20

(d) Neither Celldex nor any of its subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Notification Act, and the regulations promulgated thereunder (the "**WARN Act**"), or any similar state or local law, which remains unsatisfied.

(e) Celldex and each of its affiliates are in compliance in all material respects with all applicable federal, state, local and foreign laws concerning the employer-employee relationship, including applicable wage and hour laws, fair employment laws, safety laws, workers' compensation statutes, unemployment laws and social security laws. Except as described in Section 2.17(e) of the Celldex Disclosure Schedule, with respect to Celldex and any of its subsidiaries, there are no pending or, to the knowledge of Celldex, threatened actions, charges, citations or consent decrees concerning: (i) wages, compensation, bonuses, commissions, awards or payroll deductions, equal employment or human rights violations regarding race, color, religion, sex, national origin, age, disability, veteran status, marital status, or any other recognized class, status or attribute under any federal, state, local or foreign equal employment law prohibiting discrimination, (ii) representation petitions or unfair labor practices, (iii) occupational safety and health, (iv) workers' compensation, (v) wrongful termination, negligent hiring, invasion of privacy or defamation, or (vi) immigration or any other claims under state or federal labor law.

(f) Except as disclosed in Section 2.17(f) of the Celldex Disclosure Schedule, neither Celldex nor any of its subsidiaries are parties to any written or oral agreement with any current or former employee of Celldex or its subsidiaries providing any term of employment or compensation guarantee extending for a period longer than one year from the date hereof or for the payment of compensation in excess of \$100,000 per annum.

2.18. AGREEMENTS, CONTRACTS AND COMMITMENTS. Except as described in Section 2.18 of the Celldex Disclosure Schedule, Celldex and its subsidiaries are not parties to or bound by:

(a) any agreement of indemnification or guaranty not entered into in the ordinary course of business other than indemnification agreements between Celldex or its subsidiaries and any of their officers or directors;

(b) any agreement, contract or commitment containing any covenant limiting the freedom of Celldex or its subsidiaries to engage in any line of business or compete with any person;

(c) any agreement, contract or commitment relating to capital expenditures and involving future obligations in excess of \$100,000 and not cancelable without penalty;

(d) any agreement, contract or commitment currently in force relating to the disposition or acquisition of assets not in the ordinary course of business or any ownership interest in any corporation, partnership, joint venture or other business enterprise;

(e) any mortgages, indentures, loans or credit agreements, security agreements or other agreements or instruments relating to the borrowing of money or extension of credit in excess of \$100,000;

21

(f) any joint marketing or development agreement;

(g) any distribution agreement (identifying any that contain exclusivity provisions);

(h) any plan or agreement pursuant to which all material amounts may become payable (whether currently or in the future) to current or former officers and directors of Celldex and its subsidiaries as a result of or in connection with the Merger; or

(i) any other agreement, contract or commitment (excluding real and personal property leases) which involve payment by Celldex or its subsidiaries under any such agreement, contract or commitment of \$100,000 or more in the aggregate and is not cancelable without penalty within thirty (30) days.

Celldex and its subsidiaries have not, nor to Celldex's or its subsidiaries' knowledge has any other party to a Celldex Contract (as defined below), breached, violated or defaulted under, or received notice that it has breached, violated, or defaulted under, any of the terms or conditions of, or terminated any of the agreements, contracts or commitments to which Celldex or its subsidiaries are a party or by which they are bound of the type described in clauses (a) through (i) above (any such agreement, contract or commitment, a "**Celldex Contract**") in such manner as would permit any other party to cancel or terminate any such Celldex Contract, or would permit any other party to seek damages which would reasonably be expected to have a Celldex Material Adverse Effect. As to Celldex and its subsidiaries, each Celldex Contract is valid, binding, enforceable and in full force and effect, except as enforceability may be limited by bankruptcy and other similar laws and general principles of equity.

2.19. **BOARD AND STOCKHOLDER APPROVAL.** The Board of Directors of Celldex has, as of the date of this Agreement, determined (i) that the Merger is fair to, and in the best interests of Celldex, and (ii) has recommended that the stockholders of Celldex approve and adopt this Agreement (**the "Celldex Board Recommendation"**). Promptly (but in any event within one (1) day following the execution of this Agreement), the stockholders of Celldex shall have approved and adopted this Agreement by the requisite vote and delivered evidence thereof to AVANT.

2.20. **BOOKS AND RECORDS.** The minute books of Celldex and its subsidiaries made available to counsel for AVANT are the only minute books of Celldex and its subsidiaries. The books and records of Celldex and its subsidiaries accurately reflect in all material respects the assets, liabilities and results of operations of Celldex and its subsidiaries and have been maintained in accordance with good business and bookkeeping practices.

2.21. **RESTRICTIONS ON BUSINESS ACTIVITIES.** Other than as contemplated by this Agreement, there is no agreement, judgment, injunction, order or decree binding upon or otherwise applicable to Celldex or its subsidiaries which has, or would reasonably be expected to have, the effect of prohibiting or materially impairing (i) any current business practice of Celldex or its subsidiaries; or (ii) any acquisition of any person or property by Celldex or its subsidiaries.

2.22. **REAL PROPERTY LEASES.** Section 2.22 of the Celldex Disclosure Schedule sets forth all real property leases or subleases to or by Celldex or its subsidiaries, including the term of such lease, any extension and expansion options and the rent payable under it. Celldex

22

has delivered to AVANT true, complete and correct copies of the leases and subleases (as amended to date) listed in Section 2.22 of the Celldex Disclosure Schedule. With respect to each lease and sublease listed in Section 2.22 of the Celldex Disclosure Schedule:

(a) As to Celldex or its subsidiaries, each lease or sublease is legal, valid, binding, enforceable and in full force and effect, except as enforceability may be limited by bankruptcy and other similar laws and general principles of equity;

(b) Neither Celldex nor any of its subsidiaries is in breach or violation of, or default under, any such lease or sublease, and no event has occurred, is pending or, to the knowledge of Celldex or its subsidiaries, is threatened, which, after the giving of notice, with lapse of time, or otherwise, would constitute a breach or default by Celldex or its subsidiaries or, to the knowledge of Celldex and its subsidiaries, any other party under such lease or sublease, except as would not reasonably be expected to have a Celldex Material Adverse Effect;

(c) Neither Celldex nor any of its subsidiaries have assigned, transferred, conveyed, mortgaged, deeded in trust or encumbered any interest in any lease or sublease; and

(d) there are no liens, easements, covenants or other restrictions applicable to the real property subject to such lease, except for Permitted Liens.

2.23. **INSURANCE.**

(a) Section 2.23(a) of the Celldex Disclosure Schedule sets forth each insurance policy (including fire, theft, casualty, general liability, workers compensation, business interruption, environmental, product liability and automobile insurance policies and bond and surety arrangements) to which Celldex or its subsidiaries are a party (the "**Insurance Policies**"). The Insurance Policies are in full force and effect, maintained with reputable companies against loss relating to the business, operations and properties and such other risks as companies engaged in similar business as Celldex or its subsidiaries would, in accordance with good business practice, customarily insure. All premiums due and payable under the Insurance Policies have been paid on a timely basis and Celldex and its subsidiaries are in compliance in all material respects with all other terms thereof. True, complete and correct copies of the Insurance Policies have been made available to AVANT.

(b) There are no material claims pending under any Insurance Policies as to which coverage has been questioned, denied or disputed. All material claims thereunder have been filed in a due and timely fashion and neither Celldex or any of its subsidiaries have been refused insurance for which it has applied or had any policy of insurance terminated (other than at its request), nor has Celldex or its subsidiaries received notice from any insurance carrier that: (i) such insurance will be canceled or that coverage thereunder will be reduced or eliminated; or (ii) premium costs with respect to such insurance will be increased, other than premium increases in the ordinary course of business applicable on their terms to all holders of similar policies.

(c) Celldex has made available to AVANT accurate and complete copies of the existing policies (primary and excess) of directors' and officers' liability insurance maintained by Celldex as of the date of this Agreement.

23

2.24. **CERTAIN BUSINESS PRACTICES.** Neither Celldex or its subsidiaries nor, to the knowledge of Celldex or its subsidiaries, any director, officer, employee or agent of Celldex or its subsidiaries has: (i) used any funds for unlawful contributions, gifts, entertainment or other unlawful payments

relating to political activity; (ii) made any unlawful payment to any foreign or domestic government official or employee or to any foreign or domestic political party or campaign or violated any provision of the Foreign Corrupt Practices Act of 1977, as amended; or (iii) made any other unlawful payment.

2.25. SUPPLIERS AND MANUFACTURERS; EFFECT OF TRANSACTION.

(a) Section 2.25(a) of the Celldex Disclosure Schedule sets forth a true, complete and correct list of each supplier and manufacturer that is the sole supplier or manufacturer of any material product or service to Celldex or its subsidiaries. Since the Celldex Balance Sheet Date, there has not been: (A) any materially adverse change in the business relationship of Celldex or its subsidiaries with any supplier or manufacturer named in Section 2.25(a) of the Celldex Disclosure Schedule; or (B) any change in any material term (including credit terms) of the sales agreements or related agreements with any supplier or manufacturer named in Section 2.25(a) of the Celldex Disclosure Schedule.

(b) Prior to the date of this Agreement, neither Celldex nor any of its subsidiaries has received any written notice of any plan or intention of Celldex's or its subsidiaries' material suppliers, collaborators, distributors, licensors or licensees to cancel or otherwise terminate its relationship with Celldex or any of its subsidiaries. Without limiting the generality of the foregoing, Celldex has not received any written notice alleging that it is not in compliance in any material respects with development obligations under any material license agreements.

(c) To the knowledge of Celldex and its subsidiaries, no creditor, supplier, employee, client, customer or other person having a material business relationship with Celldex or its subsidiaries has informed Celldex or its subsidiaries in writing that such person intends to materially change its relationship with Celldex or its subsidiaries because of the transactions contemplated by this Agreement or otherwise.

2.26. GOVERNMENT CONTRACTS. Celldex and its subsidiaries have not been suspended or debarred from bidding on contracts with any Governmental Authority, and no such suspension or debarment has been initiated or threatened. The consummation of the Merger and other transactions contemplated by this Agreement will not result in any such suspension or debarment of Celldex or its subsidiaries.

2.27. INTERESTED PARTY TRANSACTIONS. As of the date hereof, no affiliate of Celldex or its subsidiaries (a) owns any property or right, tangible or intangible, which is used in the business of Celldex or its subsidiaries, (b) has any claim or cause of action against Celldex or its subsidiaries, or (c) owes any money to, or is owed any money by, Celldex or its subsidiaries. Section 2.27 of the Celldex Disclosure Schedule describes any material transactions or relationships between Celldex and its subsidiaries and any affiliate thereof that would be required to be disclosed pursuant to Item 404 of Regulation S-K promulgated by the Securities and Exchange Commission (the "SEC").

24

2.28. PROXY STATEMENT; REGISTRATION STATEMENT. The information to be supplied by or on behalf of Celldex for inclusion or incorporation by reference in the proxy statement (the "Proxy Statement") included in the AVANT Registration Statement (as defined in Section 3.30) shall not, on the date the AVANT Registration Statement is first mailed to AVANT's stockholders, and at the time of the meeting of AVANT's stockholders to vote on the approval of the Merger by AVANT's stockholders as contemplated in Section 5.2 and the filing of the Certificate of Merger pursuant to Delaware Law (the "AVANT Stockholders' Meeting"), contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not false or misleading; or omit to state any material fact necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the AVANT Stockholders' Meeting which has become false or misleading. If at any time prior to the Effective Time, any event relating to Celldex, its subsidiaries or any of their affiliates, officers or directors should be discovered by Celldex or its subsidiaries which should be set forth in a supplement to the AVANT Registration Statement, Celldex shall promptly inform AVANT of such event. The AVANT Registration Statement will comply as to form in all material respects with the provisions of the Exchange Act (as defined in Section 3.6(a)) and the rules and regulations thereunder. Notwithstanding the foregoing, Celldex makes no representation or warranty with respect to any information supplied by AVANT which is contained in any of the foregoing documents.

2.29. STATE TAKEOVER LAWS. Celldex has taken all action necessary to exempt this Agreement and other transaction documents and the transactions contemplated hereby and thereby from Section 203 of Delaware Law, and accordingly, such Section 203 does not apply to any such transactions.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF AVANT AND MERGER SUB

AVANT (which for the purpose of this Article III shall include all subsidiaries of AVANT) and Merger Sub hereby jointly and severally represent and warrant to Celldex as follows, except as set forth in the written disclosure schedule delivered by AVANT to Celldex (the "AVANT Disclosure Schedule"). The AVANT Disclosure Schedule shall be arranged in sections and subsections corresponding to the numbered and lettered sections and subsections contained in this Article III; any information set forth in a particular section or subsection of the AVANT Disclosure Schedule shall be deemed to be disclosed in each other section or subsection thereof to which the relevance of such information is reasonably apparent. For purposes of this Agreement, the phrase "to the knowledge of AVANT" or any phrase of similar import shall mean and be limited to the actual knowledge of the individuals set forth on Section 3.0 of the AVANT Disclosure Schedule.

3.1. ORGANIZATION OF AVANT AND MERGER SUB. Each of AVANT and Merger Sub (a) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, (b) has all requisite corporate power and authority to own, lease and operate its property and to carry on its business as now being conducted and as proposed to be conducted, and (c) is duly qualified to do business and in good standing as a foreign

25

corporation in each jurisdiction in which the failure to be so qualified would, individually or in the aggregate, have or be reasonably likely to have an AVANT Material Adverse Effect. Each of AVANT and Merger Sub has delivered or made available a true and correct copy of its respective Certificate of Incorporation and Bylaws, each as amended to date, as applicable, to Celldex. Section 3.1 of the AVANT Disclosure Schedule sets forth a true and correct list of AVANT's subsidiaries.

3.2. OWNERSHIP OF MERGER SUB; NO PRIOR ACTIVITIES. Merger Sub is a direct, wholly-owned subsidiary of AVANT and at the Effective Time will cease to exist pursuant to Section 1.1. Merger Sub was formed in connection with the transactions contemplated by this Agreement and has engaged in no business activity other than in connection with the transactions contemplated by this Agreement.

3.3. AVANT AND MERGER SUB CAPITAL STRUCTURE. The authorized capital stock of AVANT consists of 100,000,000 shares of AVANT Common Stock, of which there were 74,408,385 shares issued and 74,188,066 shares outstanding, 444,444 warrants issued and outstanding as of August 31, 2007 and 4,513,102 shares of Preferred Stock, par value \$.01 per share, none of which were issued and outstanding as of such date. All outstanding shares of the AVANT Common Stock are duly authorized, validly issued, fully paid and non-assessable and are not subject to preemptive rights created by statute, the Certificate of Incorporation or Bylaws of AVANT or any agreement or document to which AVANT is a party or by which it is bound. As of August 31, 2007, AVANT had reserved an aggregate of 4,703,329 shares of AVANT Common Stock for issuance to employees, directors and consultants pursuant to the AVANT 1999 Stock Option and Incentive Plan, as amended (the "AVANT 1999 Plan") and the AVANT Amended and Restated 1991 Stock Compensation Plan (the "AVANT 1991 Plan" and together with the AVANT 1999 Plan, the "AVANT Stock Plans") under which options were outstanding for an aggregate of 3,051,739 shares and restricted stock units were outstanding for an aggregate of 1,000,000 shares. As of August 31, 2007, AVANT had reserved an aggregate of 121,239 shares of AVANT Common Stock available for issuance to employees pursuant to the AVANT ESPP. All shares of the AVANT Common Stock subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, would be duly authorized, validly issued, fully paid and nonassessable. The authorized capital stock of Merger Sub consists of 100 shares of Merger Sub common stock, \$.01 par value per share, all of which were issued and outstanding.

3.4. OBLIGATIONS WITH RESPECT TO CAPITAL STOCK. Except as set forth in Section 3.3 or with respect to options issued under the AVANT Stock Plans, there are no equity securities of any class of AVANT or Merger Sub, or any securities exchangeable or convertible into or exercisable for such equity securities, authorized, issued, reserved for issuance or outstanding. Except as set forth in Section 3.4 of the AVANT Disclosure Schedule, there are no options, warrants, equity securities, calls, rights (including preemptive rights), commitments or agreements or any character to which AVANT or any of its subsidiaries is a party or by which they are bound obligating AVANT or any of its subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, or repurchase, redeem or otherwise acquire, or cause the repurchase, redemption or acquisition of, any shares of capital stock of AVANT or Merger Sub or obligating AVANT or Merger Sub to grant, extend, accelerate the vesting of or enter into any such option, warrant, equity security, call, right, commitment or agreement. There are no registration rights

26

and, to the knowledge of AVANT there are no voting trusts, proxies or other agreements or understandings with respect to any equity security of any class of AVANT or Merger Sub.

3.5. AUTHORITY.

(a) Each of AVANT and Merger Sub has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of AVANT and Merger Sub, subject only to the approval of the Merger by AVANT's stockholders as contemplated in Section 5.2 and to the filing of the Certificate of Merger pursuant to Delaware Law. This Agreement has been duly executed and delivered by AVANT and Merger Sub and, assuming the due authorization, execution and delivery of this Agreement by the other parties hereto, this Agreement constitutes the valid and binding obligation of AVANT and Merger Sub, enforceable against such party in accordance with its terms, except as enforceability may be limited by bankruptcy and other similar laws and general principles of equity. The execution and delivery of this Agreement by AVANT and Merger Sub does not, and the performance of this Agreement by AVANT and Merger Sub will not, (i) conflict with or violate the Certificate of Incorporation or Bylaws of AVANT or Merger Sub, (ii) subject to obtaining the approval of the Merger by AVANT's stockholders as contemplated in Section 5.2 and compliance with the requirements set forth in Section 3.5(b) below, conflict with or violate any law, rule, regulation, order, judgment or decree applicable to AVANT or Merger Sub or by which its properties are bound or affected, or (iii) except as would not reasonably be expected to have a Material Adverse Effect and subject to obtaining the consents set forth in Section 3.5 of the AVANT Disclosure Schedule, result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or impair AVANT's or Merger Sub's rights or alter the rights or obligations of any third party under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or encumbrance on any of the properties or assets of AVANT or Merger Sub pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which AVANT or Merger Sub is a party or by which AVANT or Merger Sub or each of its properties are bound or affected, except, with respect to clauses (ii) and (iii), for any such conflicts, violations, defaults or other occurrences that would not have an AVANT Material Adverse Effect. Section 3.5 of the AVANT Disclosure Schedule lists all material consents, waivers and approvals under any of AVANT's or Merger Sub's agreements, contracts, licenses or leases required to be obtained in connection with the consummation of the transactions contemplated hereby.

(b) No Approval of any person or any Governmental Authority is required in connection with the execution and delivery of this Agreement or any related agreements required to be executed by this Agreement or the consummation of the transactions contemplated hereby and thereby, except for (i) the filing of the Registration Statement with the SEC in accordance with the Securities Act, (ii) the filing of the Certificate of Merger with the Secretary of State of the State of Delaware, (iii) the filing of the AVANT Registration Statement with the SEC in accordance with the Exchange Act, (iv) AVANT's filing of a Current Report on Form 8-K with the SEC, (v) the listing of the AVANT Common Stock on the NASDAQ, (vi) such Approvals as may be required under applicable federal and state antitrust and securities laws and the laws of

27

any foreign country and (vii) such other Approvals which, if not obtained or made, would not have an AVANT Material Adverse Effect.

3.6. SEC REPORTS; AVANT FINANCIAL STATEMENTS.

(a) AVANT has filed all forms, reports and documents required to be filed with the SEC since January 1, 2006. All such required forms, reports and documents are referred to herein as the "AVANT SEC Reports." As of their respective dates, the AVANT SEC Reports (i) were in all material respects prepared in accordance with the requirements of the Securities Act or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as the case may be, and the rules and regulations of the SEC thereunder applicable to such AVANT SEC Reports, and (ii) did not at the time they were filed (or if

amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing) contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The certifications and statements required by (A) Rule 13a-14 under the Exchange Act and (B) 18 U.S.C. §1350 (Section 906 of the Sarbanes-Oxley Act) relating to the AVANT SEC Reports are accurate and complete and comply as to form and content with all applicable legal requirements.

(b) The audited consolidated financial statements (including any related notes thereto) contained in the AVANT SEC Reports or delivered to Celldex representing the consolidated balance sheet of AVANT at December 31, 2006 and the consolidated statements of income, cash flow and stockholders equity for the three-year period then ended (the “**AVANT Financials**”), (x) were prepared in accordance with GAAP applied on a consistent basis throughout the periods involved (except as may be indicated in the notes thereto) and (y) fairly presented the consolidated financial position and consolidated results of its operations and cash flows for the periods indicated. The balance sheet of AVANT as of December 31, 2006 is hereinafter referred to as the “**AVANT Balance Sheet**.” Except as disclosed in the AVANT Financials, AVANT has no liabilities (absolute, accrued, contingent or otherwise) of a nature required to be disclosed on a balance sheet or in the related notes to the consolidated financial statements prepared in accordance with GAAP that, individually or in the aggregate, have had or would reasonably be expected to have an AVANT Material Adverse Effect, except liabilities (i) provided for in the AVANT Balance Sheet, (ii) incurred since the date of the AVANT Balance Sheet in the ordinary course of business consistent with past practices in both type and amount or (iii) disclosed on the AVANT Disclosure Schedule.

(c) AVANT has designed and maintains adequate disclosure controls and procedures to ensure that material information relating to AVANT, is made known to the Chief Executive Officer and the Chief Financial Officer of AVANT by others within that entity. To AVANT’s knowledge, there are no (i) material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect in any material respect AVANT’s ability to record, process, summarize and report financial information and (ii) fraud, or allegation of fraud, whether or not material, that involves management or other employees who have a significant role in AVANT’s internal controls over financial reporting.

28

(d) AVANT maintains a system of internal accounting controls designed to provide reasonable assurance that: (i) transactions are executed in accordance with management’s general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

3.7. ABSENCE OF CERTAIN CHANGES OR EVENTS. Since the date of the AVANT Balance Sheet through the date of this Agreement, except as set forth in Section 3.7 of the AVANT Disclosure Schedule, AVANT has conducted its business only in the ordinary course of business consistent with past practice, and there has not been: (i) any event that has had, or that would be reasonably expected to result in, an AVANT Material Adverse Effect, (ii) any material change by AVANT in its accounting methods, principles or practices, except as required by concurrent changes in GAAP, (iii) any revaluation or disposition by AVANT of any of its assets having an AVANT Material Adverse Effect or (iv) any action taken or committed to be taken by AVANT that if taken after the date hereof would have required the consent of Celldex pursuant to Section 4.2.

3.8. TAXES. AVANT has prepared and timely filed or had prepared and timely filed on its behalf all returns, declarations, reports, statements, information returns, claims for refund, and other documents filed or required to be filed, including any schedule or attachment thereto, and including any amendment thereof (“**AVANT Tax Returns**”) with respect to any and all federal, state, local and foreign taxes, assessments and other governmental charges, duties, impositions and liabilities, including, without limitation, gross receipts, income, profits, sales, use and occupation, value added, ad valorem, transfer, franchise, withholding, payroll, recapture, employment, excise and property stamp, windfall profits, environmental, customs, capital stock, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, together with all interest, penalties and additions imposed with respect to such amounts and any obligations under any agreements or arrangements with any other person, including under Treasury Regulation Section 1.1502-6 (or similar provision of state, local, or foreign law), with respect to such amounts and including any liability for taxes of a predecessor entity concerning or attributable to AVANT or to their operations (“**AVANT Taxes**”). All AVANT Tax Returns disclose all AVANT Taxes required to be paid for periods covered thereby. Copies of all AVANT Tax Returns filed after January 1, 2004 relating to Federal, state and local taxes have been delivered to Celldex.

In addition:

(a) AVANT: (i) has paid all AVANT Taxes it is obligated to pay whether or not reflected on any AVANT Tax Return; and (ii) has withheld and paid all federal, state, local and foreign taxes required to be withheld and paid in connection with amounts paid to its employees or to any third party.

(b) There is no deficiency for the AVANT Taxes outstanding, proposed in writing or assessed against AVANT and its subsidiaries that is not accurately reflected as a liability on the

29

AVANT Balance Sheet, nor has AVANT executed any waiver of any statute of limitations on or extending the period for the assessment or collection of any AVANT Taxes.

(c) AVANT does not have any liability for unpaid AVANT Taxes that has not been properly accrued for under GAAP and reserved for on the AVANT Balance Sheet, whether asserted or unasserted, contingent or otherwise.

(d) Except as provided in Section 3.8(d) of the AVANT Disclosure Schedules, AVANT is not a party to any agreement, plan, arrangement or other contract covering any employee or independent contractor or former employee or independent contractor that, individually or collectively with any other such contracts, would result in the payment of any amount that would not be deductible pursuant to Section 280G or Section 162(m) of the Code (or any comparable provision of state, local or foreign tax laws).

(e) AVANT is not, nor has ever been, a party to or bound by any tax indemnity agreement, tax sharing agreement, tax allocation agreement or similar contract or agreement. Neither AVANT nor any of its subsidiaries has been a member of an affiliated group filing a consolidated federal income tax

return (other than a group the common parent of which was AVANT).

(f) Neither AVANT nor any of its subsidiaries has participated in a “listed transaction” that has given rise to a disclosure obligation under Section 6011 of the Code and the Treasury Regulations promulgated thereunder.

3.9. **BOARD APPROVAL.** The Boards of Directors of AVANT and Merger Sub, as of the date of this Agreement, have approved this Agreement. The Board of Directors of AVANT has approved the issuance of the AVANT Common Stock in the Merger. The Board of Directors of AVANT has, as of the date of this Agreement, determined to recommend that the stockholders of AVANT approve the issuance of the AVANT Common Stock in the Merger, the Authorized Share Increase and the Reverse Stock Split (the “**AVANT Board Recommendation**”).

3.10. **VALID ISSUANCE.** The AVANT Common Stock to be issued in the Merger, when issued in accordance with the provisions of this Agreement, shall be validly issued, fully paid and nonassessable, and shall be issued in compliance with all federal and state securities laws.

3.11. **VOTING REQUIREMENTS.** The affirmative vote of the holders of a majority of the voting power of the outstanding capital stock of AVANT is required to approve this Agreement, the Merger and the issuance of the AVANT Common Stock as a result of the Merger (the “**AVANT Stockholder Approval**”). The affirmative vote of the holders of a majority of the voting power of the outstanding capital stock of Merger Sub has approved the Merger.

3.12. **FAIRNESS OPINION.** The Board of Directors of AVANT has received the written opinion of Needham & Company, LLC, financial advisor to AVANT, dated the date of this Agreement, to the effect that the consideration payable by AVANT in the Merger is fair to AVANT and its stockholders from a financial point of view.

30

3.13. **INTELLECTUAL PROPERTY.**

(a) “**AVANT IP Rights**” means all patents, trademarks, service marks, trade names, copyrights, domain names, trade secrets, and other intellectual property and proprietary rights worldwide (including, but not limited to, any registrations and applications with respect to any of the foregoing) that are owned by, licensed to or used by AVANT or any of its subsidiaries. Listed on Section 3.13 of the AVANT Disclosure Schedule are: (i) all patents, patent applications, registered trademarks, trademark applications, registered service marks, service mark applications, registered copyrights and domain names owned by AVANT or any of its subsidiaries that are included in the AVANT IP Rights (the “**AVANT Owned IP**”) and (ii) all AVANT IP Rights Agreements (as defined below) pursuant to which AVANT or any of its subsidiaries grants to any third party, or is granted by any third party, any exclusive license or other exclusive right with respect to any of the AVANT IP Rights, or that otherwise is material to the business of AVANT or any of its subsidiaries. Except as set forth on Section 3.13 of the AVANT Disclosure Schedule, AVANT or its subsidiaries are the sole owners of all of the AVANT Owned IP. AVANT owns or possesses sufficient legal rights to (i) all trademarks, service marks, trade names, copyrights, domain names and trade secrets and (ii) to the knowledge of AVANT and its subsidiaries, all patents and patent applications, as are necessary to the conduct of AVANT’s and its subsidiaries’ respective businesses as presently conducted, without infringing, misappropriating or otherwise violating the intellectual property rights of others, except for any failure to own or so possess that would not reasonably be expected to have an AVANT Material Adverse Effect.

(b) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not constitute a breach of any instrument or agreement governing any AVANT IP Rights, including, but not limited to, any instrument or agreement pursuant to which AVANT in-licenses or out-licenses any of the AVANT IP Rights (the “**AVANT IP Rights Agreements**”), will not cause the forfeiture or termination or give rise to a right of forfeiture or termination of any AVANT IP Rights or impair the right of AVANT, its subsidiaries or the Surviving Corporation to use, sell or license any AVANT IP Rights or portion thereof, except for the occurrence of any such breach, forfeiture, termination or impairment that would not individually or in the aggregate, reasonably be expected to result in an AVANT Material Adverse Effect. Each of the AVANT IP Rights Agreements is valid and binding on AVANT or its subsidiaries and in full force and effect. AVANT and its subsidiaries have not received any notice of termination or cancellation under such agreement, or received any notice of breach or default under such agreement, which breach has not been cured or waived. AVANT and its subsidiaries, and to the knowledge of AVANT and its subsidiaries, any other party to such agreement, is not in breach or default thereof in any material respect.

(c) (i) Neither the manufacture, marketing, license, sale, nor intended use of any product or technology currently licensed or sold or under development by AVANT or its subsidiaries violates any license or agreement between AVANT or its subsidiaries and any third party or, to the knowledge of AVANT and its subsidiaries, infringes, misappropriates or violates, any patent rights, trade secrets or other intellectual property rights of any other party; (ii) except as set forth on Section 3.13(c) of the AVANT Disclosure Schedule, to the knowledge of AVANT and its subsidiaries, no third party is infringing upon, misappropriating, or violating any license

31

or agreement with AVANT or its subsidiaries relating to, any AVANT IP Rights; and (iii) to the knowledge of AVANT and its subsidiaries, there is no pending or threatened claim or litigation contesting the validity, ownership or right to use, sell, license or dispose of any AVANT IP Rights, nor has AVANT or any of its subsidiaries received any written notice asserting that any AVANT IP Rights or the proposed use, sale, license or disposition thereof conflicts or will conflict with the rights of any other party.

(d) AVANT and its subsidiaries have used reasonable efforts to maintain their material trade secrets in confidence, including entering into commercially reasonable licenses and contracts that generally require licensees, contractors and other third persons with access to such trade secrets to keep such trade secrets confidential and have otherwise taken reasonable and practicable steps designed to safeguard and maintain the secrecy and confidentiality of, and its proprietary rights in, all AVANT IP Rights.

3.14. **COMPLIANCE; PERMITS; RESTRICTIONS.**

(a) AVANT and its subsidiaries are not in conflict with, or in default or violation of (i) any law applicable to it or by which its properties are bound or affected, or (ii) any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which

AVANT or any of its subsidiaries is a party or by which AVANT or any of its subsidiaries or their properties are bound or affected, except for any conflicts, defaults or violations which, individually or in the aggregate, would not reasonably be expected to have an AVANT Material Adverse Effect. No investigation or review by any governmental or regulatory body or authority is pending or, to the knowledge of AVANT and its subsidiaries, threatened against AVANT or its subsidiaries, nor has any governmental or regulatory body or authority indicated to AVANT or its subsidiaries an intention to conduct the same.

(b) AVANT and its subsidiaries hold all permits, licenses, variances, exemptions, orders and approvals from governmental authorities which are necessary to the operation of their business (collectively, the “**AVANT Permits**”). AVANT and its subsidiaries are in compliance with the terms of the AVANT Permits, except where the failure to so comply would not reasonably be expected to have an AVANT Material Adverse Effect. No action, proceeding, revocation proceeding, amendment procedure, writ, injunction or claim is pending or, to the knowledge of AVANT and its subsidiaries, threatened, which seeks to revoke or limit any AVANT Permit. A true, complete and correct list of the material AVANT Permits is set forth in Section 3.14 of the AVANT Disclosure Schedule. The rights and benefits of each material AVANT Permit will be available to the Surviving Corporation or its subsidiaries immediately after the Effective Time on terms substantially identical to those enjoyed by AVANT and its subsidiaries immediately prior to the Effective Time.

(c) All products being manufactured, distributed, developed or tested by AVANT or its subsidiaries (the “**AVANT Products**”) that are subject to the jurisdiction of the FDA are being manufactured, labeled, stored, tested and distributed in compliance in all material respects with all applicable requirements under the FDCA, the PHSA, their applicable implementing regulations, and all comparable state laws and regulations, including, but not limited to, those relating to investigational use, premarket clearance, good manufacturing practices, labeling, advertising, promotional activities, record keeping, filing of reports and security.

32

(d) All clinical trials conducted by AVANT or its subsidiaries are being conducted in material compliance with the investigational new drug regulation in 21 CFR Part 312 and the applicable requirements of Good Clinical Practices, Informed Consent, and all applicable requirements relating to the protection of human subjects contained in 21 CFR Parts 50, 54 and 56.

(e) All manufacturing operations conducted by AVANT or its subsidiaries have been and are being conducted in accordance, in all material respects, with the FDA’s current Good Manufacturing Practices as specified in 21 CFR Parts 211 and 610. In addition, AVANT is in material compliance with all applicable registration requirements set forth in 21 U.S.C. Section 360 and 21 CFR Part 207 and all similar applicable laws and regulations.

(f) Except as set forth on Section 3.14(f) of the AVANT Disclosure Schedule, neither AVANT or its subsidiaries, nor any representative of AVANT or its subsidiaries, nor, to the knowledge of AVANT or its subsidiaries, any of AVANT’s or its subsidiaries’ licensees or assignees of AVANT IP Rights has received any notice that the FDA or any other Governmental Authority has initiated, or threatened to initiate, any action to suspend or terminate any clinical trial or any Investigational New Drug Application sponsored by AVANT or its subsidiaries or otherwise restrict the preclinical research on or clinical study of any AVANT Product or any biological or drug product being developed by any licensee or assignee of AVANT IP Rights based on such intellectual property, or to suspend or otherwise restrict the development or manufacture of any AVANT Product, except for such terminations, suspensions or restrictions which, individually or in the aggregate, would not reasonably be expected to have an AVANT Material Adverse Effect.

(g) Neither AVANT or its subsidiaries, nor to the knowledge of AVANT or its subsidiaries, any of its officers, key employees (as set forth on Section 3.20 AVANT Disclosure Schedule), agents or clinical investigators acting for AVANT or its subsidiaries, have committed any act, or made any statement or failed to make any statement that would, as a result of such statement or omission, reasonably be expected to provide a basis for the FDA to invoke its policy with respect to “Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities” set forth in 56 Fed. Reg. 46191 (September 10, 1991) and any amendments thereof. To the knowledge of AVANT, AVANT and its subsidiaries are not, and have not been, in material violation of the Federal Anti-Kickback Act, any federal conspiracy statutes, the PDMA, Federal False Claims Act, Federal Stark Law or any other federal, foreign or state statute related to sales and marketing practices of pharmaceutical manufacturers and others involved in the purchase and sale of pharmaceutical products. Additionally, neither AVANT or its subsidiaries, nor to the knowledge of AVANT or its subsidiaries, any of its officers, key employees or agents have been convicted of any crime or engaged in any conduct that would reasonably be expected to result in debarment under 21 U.S.C. Section 335a or any similar state law.

(h) All human clinical trials, animal studies or other preclinical tests performed in connection with or as the basis for any regulatory approval required for the AVANT Products (1) either (x) have been conducted in accordance, in all material respects, with applicable Good Laboratory Practice requirements contained in 21 CFR Part 58, or (y) were not required to be conducted in accordance with Good Laboratory Practice requirements contained in 21 CFR Part 58 and (2) have employed the experimental protocols, procedures and controls generally used by

33

qualified experts in human, animal or preclinical study of products comparable to those being developed by AVANT or its subsidiaries.

(i) AVANT and its subsidiaries have made available to Celldex copies of any and all written notices of inspectional observations, establishment inspection reports and any other documents received from the FDA, which indicate or suggest lack of compliance with the regulatory requirements of the FDA. AVANT and its subsidiaries have made available to Celldex for review all correspondence to or from the FDA, FDCA and PHSA, including minutes of meetings, written reports of phone conversations, visits or other contact with the FDA, FDCA or PHSA, notices of inspectional observations, establishment inspection reports, and all other documents concerning communications to or from the FDA, FDCA or PHSA, or prepared by the FDA, FDCA or PHSA or which bear in any way on AVANT’s and its subsidiaries’ compliance with regulatory requirements of the FDA, FDCA and PHSA, or on the likelihood of timing of approval of any AVANT Products, including, but not limited to, copies of (i) all warning letters and untitled letters, notices of adverse findings and similar correspondence received in the last three years, (ii) all FDA483s and other audit reports performed during the last three years, and (iii) any document concerning any significant oral or written communication received from the FDA and comparable foreign governmental entities in the last three years. Neither AVANT nor any agent or representative of AVANT has received any notices or correspondence from the FDA or any other governmental agency requiring the termination, suspension or modification (other than such modifications as are normal in the regulatory process) of any animal studies, preclinical tests or clinical trials conducted by or on behalf of AVANT or in which AVANT has participated, except for such terminations, suspensions or modifications which, individually or in the aggregate, would not reasonably be expected to have an AVANT Material Adverse Effect.

(j) To the knowledge of AVANT, AVANT and its subsidiaries comply in all material respects with and maintain, and have continuously complied with and maintained systems and programs to ensure compliance with, all requirements of the FDCA, PHSA, PDMA and regulations issued thereunder, and similar or related foreign or domestic laws and regulations, pertaining to programs or systems regarding product quality, notification of facilities and products, corporate integrity, pharmacovigilance and conflict of interest including, but not limited to, Current Good Manufacturing Practice Requirements, Good Laboratory Practice Requirements, Establishment Registration and Product Listing requirements, requirements applicable to the debarment of individuals, requirements applicable to the conflict of interest of clinical investigators and Adverse Drug Reaction Reporting requirements.

(k) To the knowledge of AVANT, AVANT and its subsidiaries have complied in all material respects with their respective obligations to report accurate pricing information for their pharmaceutical products to the government and to pricing services relied upon by governmental entities and other payors for pharmaceutical products, including without limitation their obligation to report accurate "Average Sales Prices" under the Medicare Modernization Act of 2003 and their obligation to charge accurate federal Ceiling Prices to purchasers entitled to those.

(l) To the knowledge of AVANT, neither AVANT nor any of its subsidiaries has engaged in an unlawful or unauthorized practice of medicine or other professionally licensed activities through any web sites sponsored or operated, or formerly sponsored or operated, by AVANT or any of its subsidiaries.

34

(m) To the knowledge of AVANT, AVANT and its subsidiaries have complied in all material respects and continue to comply in all material respects with the applicable administration simplification regulations published pursuant to HIPAA Regulations. To the knowledge of AVANT, there are no complaints or allegations against AVANT or any of its subsidiaries of any violations of the HIPAA Regulations, whether by a governmental entity, a patient, a plan member, a current or former employee or volunteer or any other person.

(n) To the knowledge of AVANT, AVANT and its subsidiaries have complied in all material respects with all export control laws, including those administered by the U.S. Department of Commerce and the U.S. Department of State, and asset control laws, including those administered by the U.S. Department of the Treasury.

(o) There are no proceedings pending with respect to a violation by AVANT or its subsidiaries of the FDCA, FDA regulations adopted thereunder, the Controlled Substance Act or any other legislation or regulation promulgated by any other United States Governmental Authority.

3.15. LITIGATION. Except as described in Section 3.15 of the AVANT Disclosure Schedule, as of the date of this Agreement, there is no action, suit, proceeding, claim, arbitration or investigation pending, or as to which AVANT has received any written notice of assertion, nor, to the knowledge of AVANT, is there any threatened action, suit, proceeding, claim for arbitration or investigation against AVANT.

3.16. BROKERS' AND FINDERS' FEES. Except for the fees and expenses of Needham & Company, LLC, AVANT has not incurred, nor will they incur, directly or indirectly, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement or any transaction contemplated hereby.

3.17. EMPLOYEE BENEFIT PLANS.

(a) Section 3.17 of the AVANT Disclosure Schedule lists all written and describes all material unwritten employee benefit plans of ERISA and all bonus, stock or other security option, stock or other security purchase, stock or other security appreciation rights, incentive, deferred compensation, retirement or supplemental retirement, profit sharing, severance, golden parachute, vacation, cafeteria, dependent care, medical care, employee assistance program, education or tuition assistance programs, insurance and other similar fringe or employee benefit plans, programs or arrangements, and any current or former employment or executive compensation or severance agreements, written or otherwise, which are currently sponsored, maintained, contributed to or entered into for the benefit of, or relating to, any present or former employee or director (or their dependents) of AVANT, or any trade or business (whether or not incorporated) which is a member of a controlled group or which is under common control with AVANT within the meaning of Section 414 of the Code (an "AVANT ERISA Affiliate"), (collectively, the "AVANT Employee Plans").

(b) With respect to each AVANT Employee Plan, AVANT has provided to Celldex a true and complete copy of, to the extent applicable, (i) such AVANT Employee Plan, (ii) the most recent annual reports (Form 5500) as filed with the IRS, (iii) each trust agreement related to

35

such AVANT Employee Plan, (iv) the most recent summary plan description for each AVANT Employee Plan for which such description is required, along with all summaries of material modifications, amendments, resolutions and all other material plan documentation related thereto and (v) the most recent IRS determination or opinion letter issued with respect to any AVANT Employee Plan.

(c) There are (i) no actions, claims or proceedings pending (other than routine claims for benefits in the ordinary course), or to the knowledge of AVANT threatened, with respect to any AVANT Employee Plan or the assets of any AVANT Employee Plan, (ii) no existing facts or circumstances that would reasonably be expected to give rise to any such actions, claims or proceedings, (iii) no administrative investigations, audits or other administrative proceedings by the DOL, the IRS or any other Governmental Authority, including any voluntary compliance submissions through the IRS's Employee Plans Compliance Resolution System or the DOL's Voluntary Fiduciary Correction Program, pending, in progress or, to the knowledge of AVANT, threatened, and (iv) no current, or to the knowledge of AVANT threatened, encumbrances or liens on the assets of any AVANT Employee Plan. With respect to each AVANT Employee Plan, all reporting and disclosure requirements have been complied with in all material respects, all returns have been timely filed and each AVANT Employee Plan that is intended to be qualified within the meaning of Section 401(a) of the Code has received a favorable determination or opinion letter from the IRS to the effect that the AVANT Employee Plan satisfies the requirements of Section 401(a) of the Code taking into account all changes in qualification requirements under Section 401(a) for which the applicable "remedial amendment period" under Section 401(b) of the Code has expired, and there are no facts or circumstances that could reasonably be expected to cause the loss of such qualification or the imposition of any liability, penalty or tax under ERISA, the Code or any other applicable laws. Each AVANT Employee Plan has been operated in all material respects in accordance with its terms and the requirements of all applicable law.

(d) No AVANT Employee Plan is an “employee pension benefit plan” (within the meaning of Section 3(2) of ERISA) subject to Title IV of ERISA, and neither AVANT nor any AVANT ERISA Affiliate has ever maintained, contributed to or partially or fully withdrawn from any such plan. No AVANT Employee Plan is a Multiemployer Plan or “single-employer plan under multiple controlled groups” as described in Section 4063 of ERISA, and neither AVANT nor any AVANT ERISA Affiliate has ever contributed to or had an obligation to contribute, or incurred any liability in respect of a contribution, to any Multiemployer Plan. No AVANT Employee Plan is a “multiple employer plan” within the meaning of Section 413(c) of the Code or Section 3(40) of ERISA.

(e) With respect to the employees and former employees of AVANT, there are no employee post-retirement medical or health plans or agreements in effect, except as required by Section 4980B of the Code or similar state law.

(f) Except as disclosed in Section 3.17(f) of the AVANT Disclosure Schedule, based on AVANT’s good faith interpretation of the provisions of Section 409A of the Code and the guidance issued thereunder, any AVANT Employee Plan that is a “nonqualified deferred compensation plan” within the meaning of Section 409A of the Code has been operated in

36

accordance with the requirements of Section 409A (including the Notices issued by the IRS thereunder).

(g) All contributions (including all employer contributions and employee salary reduction contributions) or premium payments required to have been made under the terms of any AVANT Employee Plan, and in accordance with applicable law (including pursuant to 29 C.F.R. Section 2510.3-102), as of the date hereof have been timely made or reflected on the AVANT’s financial statements in accordance with GAAP.

(h) Except as set forth in Section 3.17(h) of the AVANT Disclosure Schedule, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in combination with another event) (i) result in any payment or benefit becoming due, or increase the amount of any compensation due, to any AVANT employee, (ii) increase any benefits otherwise payable under any AVANT Employee Plan, or (iii) result in the acceleration of the time of payment or vesting of any such compensation or benefits; and except as set forth in Section 3.17(h) of the AVANT Disclosure Schedule no such payment or benefit will be characterized as an “excess parachute payment,” as such term is defined in Section 280G of the Code. Except as set forth in Section 3.17(h) of the AVANT Disclosure Schedule, neither AVANT nor any of its subsidiaries is a party to any contract, arrangement or plan pursuant to which it is bound to compensate any person for any excise or other additional taxes under Section 409A or 4999 of the Code or any similar provision of state, local or foreign law.

(i) No AVANT Employee Plan is maintained in a jurisdiction outside of the United States or for employees outside of the United States.

3.18. **ABSENCE OF LIENS AND ENCUMBRANCES; CONDITION OF EQUIPMENT.** AVANT has good and valid title to, or, in the case of leased properties and assets, valid leasehold interests in, all material tangible properties and assets, real, personal and mixed, necessary for use in its business, free and clear of any liens or encumbrances except as reflected in the AVANT Financials and except for (a) liens for taxes not yet due and payable; (b) liens which secure a payment not yet due that arises, and is customarily discharged, in the ordinary course of AVANT’s business; (c) liens relating to capitalized lease financings or purchase money financings that have been entered into in the ordinary course of business; and (d) liens arising solely by the action of AVANT (collectively, “**Permitted Liens**”). Each of the material tangible assets is in a good state of maintenance and repair, and in good operating condition (subject to normal wear and tear) and is suitable for the purposes for which it presently is used.

3.19. ENVIRONMENTAL MATTERS.

(a) **Hazardous Material.** Except as set forth on Section 3.19 of the AVANT Disclosure Schedule or as would not reasonably be expected to have an AVANT Material Adverse Effect, no underground storage tanks and no amount of any Hazardous Materials are present, as a result of the deliberate actions of AVANT, or, to AVANT’s knowledge, as a result of any actions of any third party or otherwise, in, on or under any property, including the land and the improvements, ground water and surface water thereof, that AVANT has at any time

37

owned, operated, occupied or leased, other than those Hazardous Materials used in the ordinary course of AVANT’s business consistent with past practice.

(b) **Hazardous Material Activities.** Except as set forth on Section 3.19 of the AVANT Disclosure Schedule or as would not reasonably be expected to have an AVANT Material Adverse Effect, AVANT has not engaged in any Hazardous Material Activities in violation of any rule, regulation, treaty or statute promulgated by any Governmental Authority in effect prior to or as of the date hereof to prohibit, regulate or control Hazardous Materials or any Hazardous Material Activity.

(c) **Permits.** AVANT currently holds all environmental approvals, permits, licenses, clearances and consents (the “**AVANT Environmental Permits**”) necessary for the conduct of AVANT’s Hazardous Material Activities and other businesses of AVANT as such activities and businesses are currently being conducted, except where the failure to so hold would not reasonably be expected to have an AVANT Material Adverse Effect.

(d) **Environmental Liabilities.** Except as would not reasonably be expected to have an AVANT Material Adverse Effect, no material action, proceeding, revocation proceeding, amendment procedure, writ, injunction or claim is pending, or to the knowledge of AVANT, threatened concerning any AVANT Environmental Permit, Hazardous Material or any Hazardous Material Activity of AVANT.

3.20. LABOR MATTERS.

(a) Section 3.20 of the AVANT Disclosure Schedule sets forth a true, complete and correct list of all key employees and employees of AVANT along with their position, actual annual rate of compensation. All employees have entered into nondisclosure and assignment of inventions agreements with AVANT, true, complete and correct copies of which have previously been made available to Celldex. To the knowledge of AVANT, no employee of AVANT is in violation of any term of any patent disclosure agreement, non-competition agreement, or any restrictive covenant (i) to AVANT, or (ii) to a former employer relating to the right of any such employee to be employed because of the nature of the business conducted by AVANT or to the use of trade secrets

or proprietary information of others. No key employee or group of employees has threatened to terminate employment with AVANT or, to the knowledge of AVANT (which, for purposes of this representation only, shall mean actual knowledge), has plans to terminate such employment.

(b) Neither AVANT or any of its subsidiaries are parties to or bound by any collective bargaining agreement, nor is any such collective bargaining agreement being negotiated. AVANT has not experienced any strikes, grievances, claims of unfair labor practices or other collective bargaining disputes, and to the knowledge of AVANT, none are threatened.

(c) To AVANT'S knowledge, AVANT and its subsidiaries (i) have no direct or indirect liability with respect to any misclassification of any person as an independent contractor rather than as an employee, (ii) are in compliance in all material respects with all applicable foreign, federal, state and local laws respecting employment, employment practices, labor relations, employment discrimination, health and safety, terms and conditions of employment

38

and wages and hours, and (iii) have not received any written remedial order or notice of offense under applicable occupational health and safety law.

(d) Neither AVANT nor any of its subsidiaries has incurred any liability or obligation under the WARN Act, or any similar state or local law, which remains unsatisfied.

(e) AVANT and each of its affiliates are in compliance in all material respects with all applicable federal, state, local and foreign laws concerning the employer-employee relationship, including applicable wage and hour laws, fair employment laws, safety laws, workers' compensation statutes, unemployment laws and social security laws. Except as described in Section 3.20(e) of the AVANT Disclosure Schedule, with respect to AVANT and any of its subsidiaries, there are no pending or, to the knowledge of AVANT, threatened actions, charges, citations or consent decrees concerning: (i) wages, compensation, bonuses, commissions, awards or payroll deductions, equal employment or human rights violations regarding race, color, religion, sex, national origin, age, disability, veteran status, marital status, or any other recognized class, status or attribute under any federal, state, local or foreign equal employment law prohibiting discrimination, (ii) representation petitions or unfair labor practices, (iii) occupational safety and health, (iv) workers' compensation, (v) wrongful termination, negligent hiring, invasion of privacy or defamation or (vi) immigration or any other claims under state or federal labor law.

(f) Except as disclosed in Section 3.20(f) of the AVANT Disclosure Schedule, neither AVANT nor any of its subsidiaries are parties to any written or oral agreement with any current or former employee of AVANT or its subsidiaries providing any term of employment or compensation guarantee extending for a period longer than one year from the date hereof or for the payment of compensation in excess of \$100,000 per annum.

3.21. AGREEMENTS, CONTRACTS AND COMMITMENTS. Except as described in Section 3.21 of the AVANT Disclosure Schedule, AVANT is not a party to or bound by:

(a) any agreement of indemnification or guaranty not entered into in the ordinary course of business other than indemnification agreements between AVANT and any of their officers or directors;

(b) any agreement, contract or commitment containing any covenant limiting the freedom of AVANT to engage in any line of business or compete with any person;

(c) any agreement, contract or commitment relating to capital expenditures and involving future obligations in excess of \$100,000 and not cancelable without penalty;

(d) any agreement, contract or commitment currently in force relating to the disposition or acquisition of assets not in the ordinary course of business or any ownership interest in any corporation, partnership, joint venture or other business enterprise;

(e) any mortgages, indentures, loans or credit agreements, security agreements or other agreements or instruments relating to the borrowing of money or extension of credit in excess of \$100,000;

39

(f) any joint marketing or development agreement;

(g) any distribution agreement (identifying any that contain exclusivity provisions);

(h) any other agreement, contract or commitment (excluding real and personal property leases) which involve payment by AVANT under any such agreement, contract or commitment of \$100,000 or more in the aggregate and is not cancelable without penalty within thirty (30) days; or

(i) any other contract that is a "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC).

AVANT has not, nor to AVANT's knowledge has any other party to an AVANT Contract (as defined below), breached, violated or defaulted under, or received notice that it has breached, violated, or defaulted under, any of the terms or conditions of, or terminated any of the agreements, contracts or commitments to which AVANT is a party or by which they are bound of the type described in clauses (a) through (k) above (any such agreement, contract or commitment, an "**AVANT Contract**") in such manner as would permit any other party to cancel or terminate any such AVANT Contract, or would permit any other party to seek damages which would reasonably be expected to have an AVANT Material Adverse Effect. As to AVANT, each AVANT Contract is valid, binding, enforceable and in full force and effect, except as enforceability may be limited by bankruptcy and other similar laws and general principles of equity.

3.22. SEVERANCE PAYMENTS. Sections 3.17(h) and 3.20(e) of the AVANT Disclosure Schedule set forth each plan or agreement pursuant to which all material amounts may become payable (whether currently or in the future) to current or former officers, directors, and employees of AVANT as a result of or in connection with the Merger.

3.23. **RESTRICTIONS ON BUSINESS ACTIVITIES.** Other than as contemplated by this Agreement, there is no agreement, judgment, injunction, order or decree binding upon or otherwise applicable to AVANT which has, or would reasonably be expected to have, the effect of prohibiting or materially impairing (i) any current business practice of AVANT; or (ii) any acquisition of any person or property by AVANT.

3.24. **REAL PROPERTY LEASES.** Section 3.24 of the AVANT Disclosure Schedule sets forth all real property leases or subleases to or by AVANT, including the term of such lease, any extension and expansion options and the rent payable under it. AVANT has delivered to Celldex true, complete and correct copies of the leases and subleases (as amended to date) listed in Section 3.24 of the AVANT Disclosure Schedule. With respect to each lease and sublease listed in Section 3.24 of the AVANT Disclosure Schedule:

(a) As to AVANT, each lease or sublease is legal, valid, binding, enforceable and in full force and effect, except as enforceability may be limited by bankruptcy and other similar laws and general principles of equity;

(b) AVANT is not in breach or violation of, or default under, any such lease or sublease, and no event has occurred, is pending or, to the knowledge of AVANT, is threatened,

40

which, after the giving of notice, with lapse of time, or otherwise, would constitute a breach or default by AVANT or, to the knowledge of AVANT, any other party under such lease or sublease, except as would not reasonably be expected to have a Material Adverse Effect;

(c) AVANT has not assigned, transferred, conveyed, mortgaged, deeded in trust or encumbered any interest in any lease or sublease; and

(d) there are no liens, easements, covenants or other restrictions applicable to the real property subject to such lease, except for Permitted Liens.

3.25. **INSURANCE.**

(a) Section 3.25(a) of the AVANT Disclosure Schedule sets forth each insurance policy (including fire, theft, casualty, general liability, workers compensation, business interruption, environmental, product liability and automobile insurance policies and bond and surety arrangements) to which AVANT is a party (the "**AVANT Insurance Policies**"). The AVANT Insurance Policies are in full force and effect, maintained with reputable companies against loss relating to the business, operations and properties and such other risks as companies engaged in similar business as AVANT would, in accordance with good business practice, customarily insure. All premiums due and payable under the AVANT Insurance Policies have been paid on a timely basis and AVANT is in compliance in all material respects with all other terms thereof. True, complete and correct copies of the AVANT Insurance Policies have been made available to Celldex.

(b) There are no material claims pending under the AVANT Insurance Policies as to which coverage has been questioned, denied or disputed. All material claims thereunder have been filed in a due and timely fashion and AVANT has not been refused insurance for which it has applied or had any policy of insurance terminated (other than at its request), nor has AVANT received notice from any insurance carrier that: (i) such insurance will be canceled or that coverage thereunder will be reduced or eliminated; or (ii) premium costs with respect to such insurance will be increased, other than premium increases in the ordinary course of business applicable on their terms to all holders of similar policies.

(c) AVANT has made available to Celldex accurate and complete copies of the existing policies (primary and excess) of directors' and officers' liability insurance maintained by AVANT as of the date of this Agreement.

3.26. **CERTAIN BUSINESS PRACTICES.** Neither AVANT nor, to the knowledge of AVANT, any director, officer, employee or agent of AVANT has: (i) used any funds for unlawful contributions, gifts, entertainment or other unlawful payments relating to political activity; (ii) made any unlawful payment to any foreign or domestic government official or employee or to any foreign or domestic political party or campaign or violated any provision of the Foreign Corrupt Practices Act of 1977, as amended; or (iii) made any other unlawful payment.

41

3.27. **SUPPLIERS AND MANUFACTURERS; EFFECT OF TRANSACTION.**

(a) Section 3.27 of the AVANT Disclosure Schedule sets forth a true, complete and correct list of each supplier and manufacturer that is the sole supplier or manufacturer of any material product or service to AVANT. Since the AVANT Balance Sheet Date, there has not been: (A) any materially adverse change in the business relationship of AVANT with any supplier or manufacturer named in the AVANT Disclosure Schedule; or (B) any change in any material term (including credit terms) of the sales agreements or related agreements with any supplier or manufacturer named in the AVANT Disclosure Schedule.

(b) Prior to the date of this Agreement, neither AVANT nor any of its subsidiaries has received any written notice of any plan or intention of AVANT's or its subsidiaries' material suppliers, collaborators, distributors, licensors or licensees to cancel or otherwise terminate its relationship with AVANT or its subsidiary. Without limiting the generality of the foregoing, AVANT has not received any written notice alleging that it is not in compliance in any material respects with development obligations under any material license agreements.

(c) To the knowledge of AVANT, no creditor, supplier, employee, client, customer or other person having a material business relationship with AVANT has informed AVANT in writing that such person intends to materially change its relationship with AVANT because of the transactions contemplated by this Agreement or otherwise.

3.28. **GOVERNMENT CONTRACTS.** AVANT has not been suspended or debarred from bidding on contracts with any Governmental Authority, and no such suspension or debarment has been initiated or threatened. The consummation of the Merger and other transactions contemplated by this Agreement will not result in any such suspension or debarment of AVANT.

3.29. INTERESTED PARTY TRANSACTIONS. As of the date hereof, no affiliate of AVANT (a) owns any property or right, tangible or intangible, which is used in the business of AVANT, (b) has any claim or cause of action against AVANT, or (c) owes any money to, or is owed any money by, AVANT. Except as set forth in the AVANT SEC Documents, since the date of AVANT's last proxy statement filed with the SEC, no event has occurred that would be required to be reported by AVANT pursuant to Item 404 of Regulation S-K promulgated by the SEC.

3.30. REGISTRATION STATEMENT; PROXY STATEMENT. The registration statement on Form S-4 (the "**AVANT Registration Statement**") and the proxy statement/prospectus to be contained therein (the "**Prospectus**") relating to the Merger and the other transactions contemplated hereby, to be filed by AVANT with the SEC in connection with seeking the adoption of this Agreement by the stockholders of AVANT will not, at the time it is filed with the SEC, or, with regards to the Prospectus, at the time it is first mailed to the stockholders of AVANT or at the time of the AVANT Stockholder Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. AVANT will cause the AVANT Registration Statement, the Prospectus and all related SEC filings to comply as to form in all material respects with the

42

requirements of the Exchange Act applicable thereto as of the date of such filing. No representation is made by AVANT with respect to statements made in the AVANT Registration Statement or the Prospectus based on information supplied, or required to be supplied, by Celldex specifically for inclusion or incorporation by reference therein.

3.31. STATE TAKEOVER LAWS; AVANT RIGHTS AGREEMENT. AVANT has taken all action necessary to exempt this Agreement and other transaction documents and the transactions contemplated hereby and thereby from Section 203 of Delaware Law, and accordingly, such Section 203 does not apply to any such transactions. The AVANT Board has amended the AVANT Shareholder Rights Agreement, dated as of November 5, 2004 (the "**AVANT Rights Agreement**") prior to the execution of this Agreement in the form attached as Exhibit A hereto so that Celldex and Merger Sub are exempt from the definition of "Acquiring Person" contained in the AVANT Rights Agreement (as such term related to the Merger and the transactions contemplated hereby), and no "Distribution Date" (as such term is defined in the AVANT Rights Agreement) will occur as a result of the execution and delivery of this Agreement or any other transaction documents or the consummation of the Merger or by any other transactions contemplated hereby. The AVANT Rights Agreement, as so amended, has not been further amended or modified. True and complete copies of the AVANT Rights Agreement and all amendments thereto have been previously provided or made available to Celldex.

ARTICLE IV

CONDUCT OF BUSINESS PENDING THE MERGER

4.1. CONDUCT OF BUSINESS BY CELLDEX. Celldex covenants and agrees that between the date hereof and the earlier of a termination of this Agreement in accordance with its terms and the Effective Time, Celldex shall not, and shall not permit any of its subsidiaries to, conduct its business other than in the ordinary course and consistent with past practice. Without limiting the generality of the foregoing, Celldex shall, and shall cause each of its subsidiaries to, (i) continue its research and development, clinical investigation and activities relating to the Celldex IP Rights in accordance with past practice; (ii) use its commercially reasonable efforts to (A) preserve intact its business organization, (B) keep available the services of its officers, employees and consultants, (C) continue in full force and effect without material modification all existing policies or binders of insurance currently maintained in respect of Celldex or its subsidiaries and their business and (D) preserve its current relationships with its clinical investigators, suppliers, manufacturers and other persons with which it has significant business relationships; and (iii) not modify, amend, renew or replace, without providing prior notice to AVANT and receiving AVANT's prior written approval, any agreements set forth in Section 2.18 of the Celldex Disclosure Schedule. In addition, except as set forth in Section 4.1 of the Celldex Disclosure Schedule, without the prior written consent of AVANT, Celldex shall not, and shall not permit any of its subsidiaries to, do any of the following:

(a) amend or otherwise change its Certificate of Incorporation or Bylaws, or otherwise alter its corporate structure through merger, liquidation, reorganization or otherwise;

43

(b) sell, pledge, dispose of or encumber a material portion of its assets (except for (i) sales of assets in the ordinary course of business consistent with past practice and (ii) dispositions of obsolete or worthless assets);

(c) issue, sell, pledge, dispose of or encumber, or authorize the issuance, sale, pledge, disposition or encumbrance of, any shares of capital stock of any class, or any options, warrants, convertible securities or other rights of any kind to acquire any shares of capital stock, or any other ownership interest (including, without limitation, any phantom interest) (except for the issuance of shares of Celldex Common Stock issuable pursuant to employee stock options under the Celldex Stock Plan or, which are outstanding on the date hereof);

(d) except as set forth in Schedule 4.1(d) of the Celldex Disclosure Schedule, accelerate, amend or change the period of exercisability of options granted under the Celldex Stock Plan, or authorize cash payments in exchange for any options granted under the Celldex Stock Plan, except expressly as contemplated by this Agreement or pursuant to the existing terms of such options, the Celldex Stock Plan or;

(e) (i) declare, set aside, make or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of any of its capital stock, except that a wholly-owned subsidiary may declare and pay a dividend to its parent, (ii) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock or (iii) amend the terms of, repurchase, redeem or otherwise acquire, or permit any subsidiary to repurchase, redeem or otherwise acquire, any of its securities, or propose to do any of the foregoing (except for the repurchase of shares in connection with tax withholding for equity awards);

(f) sell, transfer, license, sublicense or otherwise dispose of any Celldex IP Rights, or amend or modify any existing agreements with respect to any Celldex IP Rights;

(g) (i) acquire (by merger, consolidation, or acquisition of stock or assets or otherwise) any corporation, partnership or other business organization or division thereof; (ii) incur any indebtedness for borrowed money or issue any debt securities or assume, guarantee or endorse or otherwise become responsible for, the obligations of any person, or make any loans or advances in excess of \$100,000 except in the ordinary course of business consistent with past practice; (iii) authorize any capital expenditures or purchase of fixed assets which are, in the aggregate, in excess of \$100,000, taken as a whole (except pursuant to a capital expenditure budget approved in writing by both parties); or (iv) enter into or amend any contract, agreement, commitment or arrangement and any Celldex Contract to effect any of the matters prohibited by this Section 4.1(g);

(h) take any action, other than as required by GAAP, to change accounting policies or procedures;

(i) except as may be required by law, make any material tax election inconsistent with past practices or settle or compromise any material federal, state, local or foreign tax liability or agree to an extension of a statute of limitations for any assessment of any tax;

44

(j) pay, discharge or satisfy any claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction when due in the ordinary course of business and consistent with past practice of liabilities reflected or reserved against in its financial statements, or incurred in the ordinary course of business and consistent with past practice;

(k) enter into any material partnership arrangements, joint development agreements, strategic alliances or collaborations;

(l) except as may be required by law, take any action to terminate or amend any of the Celldex Employee Plans;

(m) except for litigation of the type referred to in Section 5.19 (which shall be subject to the terms of such section), settle or compromise any litigation for an amount greater than \$250,000 in the aggregate for all litigation;

(n) adopt or enter into a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization; or

(o) take, or agree in writing or otherwise to take, any of the actions described in Sections 4.1(a) through (n) above, or any action which would prevent Celldex from performing or cause Celldex not to perform its covenants hereunder or result in any of the conditions to the Merger set forth herein not being satisfied or in the satisfaction thereof being materially delayed.

If Celldex or its subsidiaries wish to obtain the consent of AVANT to take actions for which prior consent is required pursuant to this Section 4.1, Celldex shall request such consent in writing by telecopy to the attention of the Chief Executive Officer and the Chief Financial Officer of AVANT with a copy to counsel as required by Section 8.2. A consent signed by either such officer shall be deemed sufficient for purposes hereof. In addition, if AVANT receives such a request but does not respond in writing (which may include an e-mailed response) to such request within ten (10) Business Days after the date the request is telecopied, AVANT shall be deemed to have consented to the requested action for all purposes of this Agreement.

4.2. CONDUCT OF BUSINESS BY AVANT AND MERGER SUB. Merger Sub covenants and agrees that, prior to the Effective Time, it will engage in no operations and conduct no business other than in connection with the Merger and other transactions contemplated hereby. AVANT shall, immediately following the conclusion of the approval of the issuance of shares of AVANT Common Stock in the Merger, the Authorized Share Increase and the Reverse Stock Split at the AVANT Stockholders' Meeting, approve and adopt this Agreement in its capacity as sole stockholder of MERGER SUB and deliver to Celldex evidence of its vote or action by written consent approving and adopting this Agreement in accordance with applicable law and the certificate of incorporation and bylaws of MERGER SUB. AVANT covenants and agrees that between the date hereof and the earlier of a termination of this Agreement in accordance with its terms and the Effective Time, AVANT shall not conduct its business other than in the ordinary course and consistent with past practice. Without limiting the generality of the foregoing, AVANT shall (i) to the extent requested by Celldex, continue its

45

research and development, clinical investigation and activities relating to the AVANT IP Rights in accordance with past practice; (ii) use its commercially reasonable efforts to (A) preserve intact its business organization, (B) keep available to Celldex the services of its officers, employees and consultants, (C) continue in full force and effect without material modification all existing policies or binders of insurance currently maintained in respect of AVANT and its business and (D) preserve its current relationships with its clinical investigators, suppliers, manufacturers and other persons with which it has significant business relationships; and (iii) not modify, amend, renew or replace, without providing prior notice to Celldex and receiving Celldex's prior written approval, any agreements set forth in Section 3.21 of the AVANT Disclosure Schedule. In addition, except as provided in Section 4.2 of the AVANT Disclosure Schedule, without the prior written consent of Celldex, AVANT shall not do any of the following:

(a) amend or otherwise change its Certificate of Incorporation or By-Laws, or otherwise alter its corporate structure through merger, liquidation, reorganization or otherwise, other than to effect the Authorized Share Increase or the Reverse Stock Split;

(b) sell, pledge, dispose of or encumber any assets (except for (i) sales of assets in the ordinary course of business consistent with past practice and (ii) dispositions of obsolete, excess or worthless assets);

(c) issue, sell, pledge, dispose of or encumber, or authorize the issuance, sale, pledge, disposition or encumbrance of, any shares of capital stock of any class, or any options, warrants, convertible securities or other rights of any kind to acquire any shares of capital stock, or any other ownership interest (including, without limitation, any phantom interest) (except for the issuance of shares of AVANT Common Stock issuable pursuant to the exercise of employee stock options, the exercise of AVANT Warrants or pursuant to the settlement of restricted stock units outstanding on the date of this Agreement under the AVANT Stock Plans or pursuant to purchase rights under the AVANT ESPP; or as described on Section 4.2(c) of the AVANT Disclosure Schedule;

(d) accelerate, amend or change the period (or permit any acceleration, amendment or change) of exercisability of options granted under the AVANT Stock Plans or authorize cash payments in exchange for any options granted under the AVANT Stock Plans except as expressly contemplated by this Agreement or pursuant to the existing terms of such options, the AVANT Stock Plans or the AVANT Warrants;

(e) (i) declare, set aside, make or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of any of its capital stock, (ii) split, combine or reclassify any of its capital stock (other than in connection with the Reverse Stock Split) or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock or (iii) amend the terms of, repurchase, redeem or otherwise acquire, any of its securities, or propose to do any of the foregoing (except for the repurchase of shares in connection with tax withholding with respect to equity awards;

(f) sell, transfer, license, sublicense or otherwise dispose of any AVANT IP Rights, or amend or modify any existing agreements with respect to any AVANT IP Rights;

46

(g) (i) acquire (by merger, consolidation, or acquisition of stock or assets or otherwise) any corporation, partnership or other business organization or division thereof; (ii) incur any indebtedness for borrowed money or issue any debt securities or assume, guarantee or endorse or otherwise as an accommodation become responsible for, the obligations of any person, or make any loans or advances in excess of \$100,000 except in the ordinary course of business consistent with past practice; (iii) authorize any capital expenditures or purchase of fixed assets which are, in the aggregate, in excess of \$100,000, taken as a whole (except pursuant to a capital expenditure budget approved in writing by both parties and except expenditures in connection with in-process renovation projects at AVANT's Needham facility and its Fall River facility up to \$750,000); or (iv) enter into or amend any contract, agreement, commitment or arrangement to effect any of the matters prohibited by this Section 4.2(g);

(h) increase the compensation payable or to become payable to its officers, employees or consultants (except for annual salary increases for employees who are not officers consistent with past practice) or grant any severance or termination pay to, or enter into any employment or severance agreement with, any director, officer or other employee (other than arrangements for severance described in Section 4.1(h) of the AVANT Disclosure Schedule), or establish, adopt, enter into any employee benefit plan;

(i) take any action, other than as required by GAAP, to change accounting policies or procedures;

(j) except as required by law, make any material tax election inconsistent with past practices or settle or compromise any material federal, state, local or foreign tax liability or agree to an extension of a statute of limitations for any assessment of any tax;

(k) pay, discharge or satisfy any claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction when due in the ordinary course of business and consistent with past practice of liabilities reflected or reserved against in its financial statements, or incurred in the ordinary course of business and consistent with past practice;

(l) enter into any material partnership arrangements, joint development agreements, strategic alliances or collaborations;

(m) except as may be required by law, take any action to terminate or amend any of AVANT's employee benefit plans (as defined in Section 3(3) of ERISA) other than in connection with the Merger;

(n) except for litigation of the type referred to in Section 5.19 (which shall be subject to the terms of such section), settle or compromise any litigation for an amount greater than \$250,000 in the aggregate for all litigation (other than settlements or compromises of any matter set forth in Section 4.2(n) of the AVANT Disclosure Schedule);

(o) adopt or enter into a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization; or

47

(p) take, or agree in writing or otherwise to take, any of the actions described in Sections 4.2(a) through (o), or any action which would make prevent AVANT from performing or cause AVANT not to perform its covenants hereunder or result in any of the conditions to the Merger set forth herein not being satisfied.

If AVANT wishes to obtain the consent of Celldex to take actions for which prior consent is required pursuant to this Section 4.2, it shall request such consent in writing by telecopy to the attention of the Chief Executive Officer and the Chief Financial Officer of Celldex, with a copy to counsel as required by Section 8.2. A consent signed by such officer shall be deemed sufficient for purposes hereof. In addition, if Celldex receives such a request but does not respond in writing (which may include an e-mailed response) to such request within ten (10) Business Days after the date the request is telecopied, Celldex shall be deemed to have consented to the requested action for all purposes of this Agreement.

4.3. Celldex NON-SOLICITATION

(a) Neither Celldex or its subsidiaries shall, nor shall they authorize or permit any officer, manager, director, employee, or agent or any investment banker, financial advisor, attorney, accountant or other representative (each a "**Representative**") of Celldex or its subsidiaries to, directly or indirectly, (i) solicit, initiate or knowingly encourage or knowingly facilitate any inquiries or offers with respect to, or that reasonably may be expected to lead to the submission of, any Celldex Acquisition Proposal or (ii) participate in any discussions or negotiations regarding, or that reasonably may be expected to lead to, or furnish to any person any non-public information with respect to, or otherwise cooperate with respect to, any Celldex Acquisition Proposal.

(b) Celldex shall provide prompt (but in no event more than twenty-four (24) hours following receipt thereof) oral and written notice to AVANT of (i) the receipt of any Celldex Acquisition Proposal, or any material modification or amendment to any previously-received Celldex Acquisition Proposal, by Celldex or any Representative, and (ii) a summary of the material terms of such Celldex Acquisition Proposal. Celldex shall keep AVANT reasonably informed in all material respects of the status and details (including any change to the material terms and conditions) of any such Acquisition Proposal.

(c) Except as set forth in this Section 4.3, the Board of Directors of Celldex (the “**Celldex Board**”) shall not (i) withdraw or modify, or propose to withdraw or modify, in a manner adverse to AVANT, the Celldex Board Recommendation, (ii) approve or recommend, or publicly propose to approve or recommend, any Celldex Acquisition Proposal or (iii) enter into any agreement with respect to any Celldex Acquisition Proposal.

(d) Nothing contained in this Agreement shall prevent the Celldex Board from taking and disclosing to its stockholders a position contemplated by Rule 14d-9 and Rule 14e-2(a) promulgated under the Exchange Act (or any similar communication to stockholders) or from making any legally required disclosure to stockholders. Further, any “stop-look-and-listen” communication by Celldex or the Celldex Board to the stockholders of Celldex pursuant to Rule 14d-9(f) promulgated under the Exchange Act (or any similar communication to its stockholders)

48

shall not be considered a failure to make, or a withdrawal, modification or change in any manner adverse to AVANT of, all or a portion of the Celldex Board Recommendation.

(e) Upon execution of this Agreement, Celldex shall cease immediately and cause to be terminated any and all existing activities, discussions or negotiations with any parties conducted heretofore with respect to a Celldex Acquisition Proposal by or on behalf of Celldex or any of the Representatives and shall inform each of the Representatives of its obligations under this Section 4.3 and instruct each of them to act in a manner consistent with such obligations.

4.4. AVANT NON-SOLICITATION

(a) Neither AVANT or its subsidiaries shall, nor shall they authorize or permit any of their Representatives to, directly or indirectly, (i) solicit, initiate or knowingly encourage or knowingly facilitate any inquiries or offers with respect to, or that reasonably may be expected to lead to the submission of, any Acquisition Proposal or (ii) participate in any discussions or negotiations regarding, or that reasonably may be expected to lead to, or furnish to any person any non-public information with respect to, or otherwise cooperate with respect to, any Acquisition Proposal. Notwithstanding anything to the contrary in this Section 4.4(a), nothing contained in this Agreement shall prohibit AVANT from, at any time prior to receipt of the AVANT Stockholder Approval, furnishing any information to, or entering into or participating in discussions or negotiations with, or releasing from any standstill agreement or similar obligation to AVANT, any person that makes an unsolicited bona fide Acquisition Proposal in writing that did not otherwise result from a breach of this Section 4.4, if (i) the Board of Directors of AVANT (the “**AVANT Board**”) determines in good faith after consulting with its legal counsel and financial advisors that such Acquisition Proposal constitutes or is reasonably likely to result in a Superior Proposal and that such action is necessary to comply with its fiduciary obligations to the stockholders of AVANT under applicable law, (ii) prior to furnishing such non-public information to, or entering into discussions or negotiations with, such person, AVANT notifies Celldex that it is furnishing information to, or entering into discussions or negotiations with, such person, and (iii) prior to furnishing such non-public information to such person, AVANT (A) provides Celldex with the information to be provided to such person to the extent Celldex has not previously been provided with such information, and (B) receives from such person an executed confidentiality agreement with confidentiality provisions no less favorable to AVANT, than the Confidentiality Agreement.

(b) AVANT shall provide prompt (but in no event more than twenty-four (24) hours following receipt thereof) oral and written notice to Celldex of (i) the receipt of any Acquisition Proposal, or any material modification or amendment to any previously-received Acquisition Proposal, by AVANT or any Representative, (ii) a summary of the material terms of such Acquisition Proposal and the identity of the person making such Acquisition Proposal and (iii) AVANT’s intentions, if any, to furnish information to, or enter into discussions or negotiations with, such person. AVANT shall keep Celldex reasonably informed in all material respects of the status and details (including any change to the material terms and conditions) of any such Acquisition Proposal. AVANT, shall not, and shall cause each of its subsidiaries not to, enter into any confidentiality agreement with any person subsequent to the date hereof that prohibits it from providing such information to Celldex.

49

(c) Except as set forth in this Section 4.4(c), the AVANT Board, shall not (i) withdraw or modify, or propose to withdraw or modify, in a manner adverse to Celldex, the AVANT Board Recommendation, (ii) approve or recommend, or publicly propose to approve or recommend, any Acquisition Proposal or (iii) enter into any agreement with respect to any Acquisition Proposal (other than a confidentiality agreement in compliance with Section 4.4(a)). Notwithstanding the foregoing, at any time prior to receipt of the AVANT Stockholder Approval, (x) if the AVANT Board determines in good faith after consulting with its outside legal counsel that it is required by its fiduciary duties to the stockholders of AVANT under applicable law, then the AVANT Board may withdraw or modify in a manner adverse to Celldex, the AVANT Board Recommendation (a “**Change in Recommendation**”) and (y) in the case of any Change in Recommendation being made in response to an unsolicited bona fide written Acquisition Proposal (that did not otherwise result from a breach of this Section 4.4), which the AVANT Board has determined in good faith, after consultation with its independent financial advisor, is a Superior Proposal, the AVANT Board may approve and recommend such Superior Proposal concurrently with terminating this Agreement pursuant to Section 7.1(h); provided, however, that such actions may only be taken at a time that is after (I) the fifth (5th) Business Day following Celldex’s receipt of written notice from AVANT, that the AVANT Board is prepared to take such action, and (II) at the end of such period, the AVANT Board determines in good faith, after taking into account all amendments or revisions committed to by Celldex and after consultation with its independent financial advisors, that such Acquisition Proposal remains a Superior Proposal relative to the Merger, as supplemented by any Counterproposal (as defined below) to which Celldex has irrevocably committed (but subject to the terms and conditions contained in the definitive agreement with respect to such Counterproposal). Any such written notice shall specify the material terms and conditions of such Acquisition Proposal, and state that the AVANT Board intends to make a Change in Recommendation (subject to compliance with this subsection (c)). During any such five (5) Business Day period, Celldex shall be entitled to deliver to AVANT a counterproposal to such Acquisition Proposal (a “**Counterproposal**”) and Celldex and AVANT shall negotiate in good faith in respect of any such Counterproposal with the objective of reaching an agreement such that the relevant Acquisition Proposal is not a Superior Proposal. For the sake of clarity, any standstill obligations contained in the Confidentiality Agreement will be superseded by this Section 4.4(c) to the extent they would prohibit or constrain Celldex’s ability or right to make Counterproposals in accordance with this Section 4.4(c).

(d) Nothing contained in this Agreement shall prevent the AVANT Board from taking and disclosing to its stockholders a position contemplated by Rule 14d-9 and Rule 14e-2(a) promulgated under the Exchange Act (or any similar communication to stockholders) or from making any legally required disclosure to stockholders. For the avoidance of doubt, any “stop-look-and-listen” communication by AVANT or the AVANT Board to their respective stockholders of AVANT pursuant to Rule 14d-9(f) promulgated under the Exchange Act (or any similar communication to its stockholders) shall

not be considered a failure to make, or a withdrawal, modification or change in any manner adverse to Celldex of, all or a portion of the AVANT Board Recommendation; provided, however, that neither AVANT nor the AVANT Board shall (x) recommend that the stockholders of AVANT tender their shares of capital stock of AVANT in connection with any tender or exchange offer (or otherwise approve, endorse or recommend any Acquisition Proposal) or (y) effect a Change in Recommendation, unless in the case of each of clauses (x) and (y), the requirements of Section 4.4(c) have been satisfied.

50

(e) Upon execution of this Agreement, AVANT shall cease immediately and cause to be terminated any and all existing activities, discussions or negotiations with any parties conducted heretofore with respect to an Acquisition Proposal by or on behalf of AVANT or any of the AVANT Representatives and shall inform each of the AVANT Representatives of its obligations under this Section 4.4 and instruct each of them to act in a manner consistent with such obligations.

ARTICLE V

ADDITIONAL AGREEMENTS

5.1. **REGISTRATION STATEMENT; PROXY STATEMENT.** In connection with the AVANT Stockholder Meeting, AVANT will (i) as promptly as reasonably practicable prepare and file with the SEC the Prospectus and the AVANT Registration Statement, in which the Prospectus will be included as a prospectus, (ii) respond as promptly as reasonably practicable to any comments received from the SEC with respect to such filings, provide copies of such comments to Celldex promptly upon receipt and promptly provide to Celldex all such responses, (iii) as promptly as reasonably practicable, prepare and file any amendments or supplements necessary to be filed in response to any SEC comments or as required by law and promptly provide to Celldex all such responses, (iv) use its commercially reasonable efforts to have the AVANT Registration Statement declared effective by the SEC and will thereafter mail to its stockholders as promptly as reasonably practicable, the Prospectus and all other customary proxy or other materials for meetings such as the AVANT Stockholder Meeting, (v) to the extent required by applicable law, as promptly as reasonably practicable, prepare, file and distribute to the stockholders of AVANT any supplement or amendment to the Prospectus if any event shall occur which requires such action at any time prior to the AVANT Stockholder Meeting, and (vi) otherwise use commercially reasonable efforts to comply with all requirements of law applicable to the AVANT Stockholder Meeting, the AVANT Registration Statement and the Prospectus. Celldex shall cooperate with AVANT and Merger Sub in connection with the preparation and filing of the AVANT Registration Statement and the Prospectus and the resolution of any comments from the SEC referred to above, including furnishing AVANT upon request with any and all information as may be reasonably required to be set forth in the AVANT Registration Statement, the Prospectus or any supplement or amendment thereto under the Exchange Act. AVANT and Merger Sub will provide Celldex a reasonable opportunity to review and comment upon the AVANT Registration Statement, the Prospectus or any amendments or supplements thereto, prior to filing the same with the SEC and will in good faith consider any comments by Celldex. If, at any time prior to the Effective Time, any information relating to AVANT, Celldex or Merger Sub or any of their respective affiliates should be discovered by AVANT, Celldex or Merger Sub which should be set forth in an amendment or supplement to the AVANT Registration Statement or the Prospectus so that the AVANT Registration Statement and the Prospectus shall not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading, the party that discovers such information shall promptly notify the other parties and, to the extent required by applicable law, AVANT shall disseminate an appropriate amendment thereof or supplement thereto describing such information to AVANT's stockholders.

51

5.2. **MEETING OF AVANT STOCKHOLDERS.** Promptly after the date hereof, AVANT shall (i) take all action necessary in accordance with Delaware Law and its Certificate of Incorporation and Bylaws to convene the AVANT Stockholders' Meeting to be held as promptly as practicable after the SEC declares effective the AVANT Registration Statement and in any event within 45 days (subject to extension if, in the good faith view of the AVANT Board, it is necessary to provide additional disclosure to the AVANT stockholders), for the purpose of voting upon the issuance of shares of AVANT Common Stock in the Merger, the Authorized Share Increase and the Reverse Stock Split, (ii) use reasonable best efforts to solicit the approval of the foregoing proposals and to take all other action necessary or advisable to secure the vote or consent of its stockholders required by the rules of the SEC, the NASDAQ Stock Market, Inc. or Delaware Law, as applicable, to obtain such approvals, and (iii) subject to Section 4.4, include in the AVANT Registration Statement the recommendation of the Board of Directors of AVANT that the stockholders of AVANT approve the issuance of the shares of AVANT stock in the Merger, the Authorized Share Increase and the Reverse Stock Split.

5.3. ACCESS TO INFORMATION; CONFIDENTIALITY.

(a) Upon reasonable notice and subject to restrictions contained in confidentiality agreements to which such party is subject, Celldex and AVANT shall, and shall cause each of their subsidiaries, officers, directors and employees to, afford to the officers, employees, accountants, counsel and other Representatives of the other, reasonable access, during the period prior to the Effective Time, to all its and its subsidiaries' properties, books, contracts, commitments and records and, during such period, Celldex and AVANT each shall furnish promptly to the other all information concerning its and its subsidiaries' business, properties and personnel as such other party may reasonably request, and each shall make available to the other the appropriate individuals (including attorneys, accountants and other professionals) for discussion of the other's business, properties and personnel as either party may reasonably request. Notwithstanding the foregoing, any such investigation or consultation shall be conducted in such a manner as not to interfere unreasonably with the business or operations of the other party or its subsidiaries or otherwise result in any significant interference with the prompt and timely discharge by such employees of their normal duties. Neither AVANT nor Celldex nor any of their subsidiaries shall be required to provide access to or to disclose information where such access or disclosure would violate or contravene any law or, in the opinion of its counsel, jeopardize any attorney-client privilege; provided, however, that in the event that either party relies on this sentence to withhold access or disclosure, such party shall, to the extent permitted by law and the protection of such attorney-client privilege, notify the other party of the nature of the withheld information.

(b) Each party shall keep such information confidential in accordance with the terms of the confidentiality agreement dated August 23, 2007 (the "**Confidentiality Agreement**") between AVANT and Celldex. This Section 5.3(b) shall survive the termination of this Agreement.

(c) No investigation by any party or its representatives shall affect the representations, warranties, covenants, agreements, rights or remedies of the parties set forth herein.

52

5.4. CONSENTS; APPROVALS.

(a) As soon as reasonably practicable following the date hereof, AVANT and Celldex and its subsidiaries will each use its commercially reasonable efforts to obtain all material consents, waivers and approvals under any of its or its subsidiaries' agreements, contracts, licenses or leases required to be obtained in connection with the consummation of the Merger and the other transactions contemplated herein. In addition, Merger Sub, Celldex and its subsidiaries and AVANT shall use commercially reasonable efforts to file or otherwise submit, as soon as practicable after the date of this Agreement, all applications, notices, reports and other documents reasonably required to be filed by such party with or otherwise submitted by such party to any Governmental Authority with respect to the Merger and to submit promptly any additional information requested by any such Governmental Authority. Without limiting the generality of the foregoing, Merger Sub, Celldex and AVANT shall (i) promptly after the date of this Agreement, prepare and file the notification and report, if any, required to be filed under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "**HSR Act**"), and (ii) endeavor in good faith to make, or cause to be made, as soon as reasonably practicable thereafter and after consultation with the other parties, an appropriate response to any inquiries or requests received from the FTC or the DOJ (each as defined below) for additional information or documentation and any inquiries or requests received from any state attorney general, foreign antitrust or competition authority or other Governmental Authority in connection with antitrust or competition matters. Each of AVANT and Celldex shall use its commercially reasonable efforts to cause the expiration or termination of the applicable waiting periods under the HSR Act and any other applicable antitrust law as soon as practicable. In furtherance of the foregoing, and subject to applicable legal limitations and the restrictions of any Governmental Authority, each of AVANT and Celldex will notify the other promptly upon receipt of (i) any comments from any officials of any Governmental Authority in connection with any filings made pursuant hereto and (ii) any request by any officials of any Governmental Authority for amendments or supplements to any filings made pursuant to, or information provided to comply in all material respects with, any legal requirements. Each of Celldex, on the one hand, and AVANT and Merger Sub, on the other hand, shall, in connection with the efforts referenced in this Section 5.4, use its commercially reasonable efforts to (i) cooperate in all respects with each other in connection with any filing or submission and in connection with any governmental investigation, including any proceeding initiated by a private party; (ii) subject to applicable legal limitations and the instructions of any Governmental Authority, keep the other party reasonably informed of any communication received by such party from, or given by such party to, the Federal Trade Commission (the "**FTC**"), the Antitrust Division of the Department of Justice (the "**DOJ**") or any other Governmental Authority and of any communication received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated hereby; and (iii) subject to applicable legal limitations and the instructions of any Governmental Authority, permit the other party to review in advance any communication to be given by it to, and consult with each other in advance of any meeting or conference with, the FTC, the DOJ or any other Governmental Authority or, in connection with any proceeding by a private party, with any other person, and to the extent permitted by the FTC, the DOJ or such other applicable Governmental Authority or other Person, give the other party the opportunity to attend and participate in such meetings and conferences. For purposes of this Agreement, "**Governmental Authority**" shall mean any governmental or administrative agency, authority, department, commission, instrumentality, board, bureau, court or arbitration tribunal of the United States, any

53

domestic state, locality or any foreign country, and any political subdivision or agency thereof, and includes any authority having governmental or quasi-governmental powers, including any administrative agency or commission, and any Self-Regulatory Organization, as defined in Section 3(a)(26) of the Exchange Act. Celldex and AVANT will each pay 50% of any filing fee required to be paid in connection with any filing under the HSR Act.

(b) In furtherance and not in limitation of the covenants of the parties contained in Section 5.4(a), if any objections are asserted with respect to the transactions contemplated hereby under any law or if any suit is instituted (or threatened to be instituted) by the FTC, the DOJ or any other applicable Governmental Authority or any private party challenging any of the transactions contemplated hereby as violative of any law or which would otherwise prevent, materially impede or materially delay the consummation of the transactions contemplated hereby, each of Celldex, on the one hand, and AVANT and Merger Sub, on the other hand, shall take, or cause to be taken, all other actions and do, or cause to be done, all other things necessary, proper or advisable to consummate and make effective the transactions contemplated hereby, including taking all such further action as may be necessary to resolve such objections, if any, as the FTC, DOJ, state antitrust enforcement authorities or competition authorities of any other nation or other jurisdiction may assert under any law with respect to the transactions contemplated hereby, and to avoid or eliminate each and every impediment under any law that may be asserted by any Governmental Authority with respect to the Merger so as to enable the Closing to occur as soon as reasonably practicable (and in any event no later than the Drop-Dead Date), including (x) proposing, negotiating, committing to and effecting, by consent decree, hold separate order or otherwise, the sale, divestiture or disposition of any assets or businesses of Celldex or its Subsidiaries or Affiliates or of AVANT or Merger Sub and (y) otherwise taking or committing to take any actions that after the Closing Date would limit the freedom of Celldex or its Subsidiaries' or Affiliates' freedom of action with respect to, or its ability to retain, one or more of its or its Subsidiaries' or Affiliates' businesses, product lines or assets, in each case as may be required in order to avoid the entry of, or to effect the dissolution of, any injunction, temporary restraining order or other order in any suit or proceeding which would otherwise have the effect of preventing the Closing or delaying the Closing beyond the Drop-Dead Date; provided that none of Celldex, AVANT or Merger Sub or any of their respective Subsidiaries or Affiliates shall become subject to, or consent or agree to or otherwise take any action with respect to, any requirement, condition, understanding, agreement or order of a Governmental Authority to sell, to hold separate or otherwise dispose of, or to conduct, restrict, operate, invest or otherwise change its respective assets or businesses unless such requirement, condition, understanding, agreement or order is binding only in the event that the Closing occurs; provided, further, that the parties hereto understand and agree that in no event shall any party be required by this Section 5.4 or any other provision of this Agreement (i) to enter into any settlement, undertaking, consent decree, stipulation or agreement with any Governmental Authority in connection with the transactions contemplated hereby or (ii) to divest or otherwise hold separate (including by establishing a trust or otherwise), or take any other action (or otherwise agree to do any of the foregoing) with respect to any of its or any of its respective affiliates' businesses, assets or properties in any such case in clause (i) or (ii) that would reasonably be expected to (1) materially and adversely diminish the benefits expected to be derived by the parties on the date of this Agreement from the combination of AVANT and Celldex via the Merger (such combined business to be taken as a whole), in such a manner that such party would not have entered into

54

this Agreement in the face of such materially and adversely diminished benefits or (2) otherwise have a material adverse effect on the Surviving Corporation after the Effective Time.

(c) Subject to Section 5.4(b), in the event that any administrative or judicial action or proceeding is instituted (or threatened to be instituted) by a Governmental Authority or private party challenging the Merger or any other transaction contemplated by this Agreement, or any other agreement contemplated hereby, each of Merger Sub and Celldex shall cooperate in all respects with each other and use its respective reasonable best efforts to contest and resist any such action or proceeding and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the transactions contemplated by this Agreement.

(d) Notwithstanding the matters covered by Sections 5.4(a), (b) or (c) above, no party hereto shall be required to provide any other party with copies of confidential documents or information included in its filings and submissions under the HSR Act or any other applicable antitrust law, and a party hereto may request entry into a joint defense agreement as a condition to providing any such materials and that, upon receipt of that request, the parties hereto shall work in good faith to enter into a joint defense agreement to create and preserve attorney-client privilege in a form and substance mutually acceptable to the parties.

5.5. STOCK OPTIONS, RESTRICTED STOCK UNITS AND WARRANTS.

(a) At the Effective Time, AVANT's obligations with respect to each outstanding option to purchase shares of AVANT Common Stock (each, an "**AVANT Option**" and collectively, the "**AVANT Options**") under the AVANT Stock Plans, whether vested or unvested, will terminate and be of no further force and effect, except those issued pursuant to the AVANT 1991 Plan.

(b) Promptly following the Closing, the Surviving Corporation shall issue options to purchase AVANT common stock to certain of employees of the Surviving Corporation that were employees of AVANT prior to the Effective Time in an aggregate amount equal to the Options Pool Amount and consistent with Section 5.5(b) of the AVANT Disclosure Schedule.

(c) Each restricted stock unit granted under the AVANT 1999 Plan (each, an "**AVANT Stock Unit**" and collectively, the "**AVANT Stock Units**") outstanding immediately prior to the Effective Time, after giving effect to the Reverse Stock Split, shall remain in effect on or after the Effective Time and shall be subject to the same terms and conditions set forth in the agreement pursuant to which such AVANT Stock Unit was issued as in effect immediately prior to the Effective Time.

(d) Each warrant to purchase shares of AVANT Common Stock (each, an "**AVANT Warrant**" and collectively, the "**AVANT Warrants**") outstanding immediately prior to the Effective Time, after giving effect to the Reverse Stock Split, shall remain in effect on and after the Effective Time and shall be subject to the same terms and conditions set forth in the agreement pursuant to which such AVANT Warrant was issued as in effect immediately prior to the Effective Time.

55

(e) AVANT and Celldex shall take all action that may be reasonably necessary to effectuate the provisions of this Section 5.5.

(f) At the Effective Time, Celldex's obligations with respect to each outstanding option to purchase shares of Celldex Common Stock (each, a "**Celldex Option**" and collectively, the "**Celldex Options**") will be assumed by AVANT. Each Celldex Option so assumed by AVANT under this Agreement shall be subject to substantially the same terms and conditions set forth in the option agreement pursuant to which such Celldex Option was issued as in effect immediately prior to the Effective Time, except as follows (A) (i) such Celldex Option will be exercisable for that number of shares of AVANT Common Stock equal to the product of the number of shares of Celldex Common Stock that were purchasable under such Celldex Option immediately prior to the Effective Time multiplied by the Exchange Ratio, rounded down to the nearest whole number of shares of AVANT Common Stock, and (ii) the per share exercise price for the shares of AVANT Common Stock issuable upon exercise of such Celldex Option will be equal to the quotient determined by dividing the exercise price per share of Celldex Common Stock at which such Celldex Option was exercisable immediately prior to the Effective Time by the Exchange Ratio, and rounding the resulting exercise price up to the nearest whole cent.

(g) AVANT will reserve sufficient shares of AVANT Common Stock for issuance pursuant to the Celldex Options under this Section 5.5.

5.6. SECTION 16 MATTERS. Prior to the Effective Time, AVANT agrees that its Board of Directors (or its compensation committee) shall adopt resolutions specifically approving, for purposes of Rule 16b-3 under the Securities Act, the receipt, pursuant to this Agreement, of shares of AVANT Common Stock by persons who will be directors or officers of AVANT as of the Effective Time.

5.7. INDEMNIFICATION AND INSURANCE.

(a) From and after the Effective Time, the Surviving Corporation will fulfill and honor in all respects the obligations of AVANT which exist prior to the date hereof to indemnify AVANT's present and former directors and officers. The Certificate of Incorporation and Bylaws of the Surviving Corporation will contain provisions with respect to indemnification and elimination of liability for monetary damages that provide at least as much coverage as those set forth in AVANT's Certificate of Incorporation and Bylaws on the date hereof, which provisions will not be amended, repealed or otherwise modified for a period of six (6) years from the Effective Time in any manner that would adversely affect the rights thereunder of individuals who, at the Effective Time, were directors, officers, employees or agents of Celldex, unless such modification is required by law and then only to the minimum extent required by such law.

(b) After the Effective Time, the Surviving Corporation and Celldex will, to the fullest extent permitted under applicable law, indemnify and hold harmless, each present and former director or officer of AVANT (collectively, the "**Indemnified Parties**") against any costs or expenses (including attorneys' fees), judgments, fines, losses, claims, damages, liabilities and amounts paid in settlement in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to the transactions contemplated by this Agreement or otherwise pertaining to any action or

56

omission in his or her capacity as a director or officer of AVANT occurring prior to the Effective Time to the same extent as provided in AVANT's Certificate of Incorporation and Bylaws for a period of six (6) years after the Effective Time. In the event of any such claim, action, suit, proceeding or investigation (whether arising before or after the Effective Time) and subject to the specific terms of any indemnification contract, (i) any counsel retained by the Indemnified Parties for any period after the Effective Time will be reasonably satisfactory to the Surviving Corporation, (ii) after the Effective Time, the Surviving Corporation will pay the reasonable fees and expenses of such counsel, promptly after statements therefor are received; provided, however, that any person to whom fees and expenses are advanced shall provide an undertaking to repay such advances if it is ultimately determined that such person is not entitled to indemnification; and (iii) the Surviving Corporation will cooperate in the defense of any such matter; provided, however, that the Surviving Corporation will not be liable for any settlement effected without its prior written consent (which consent will not be unreasonably withheld, delayed or conditioned provided, further, that, in the event that any claim or claims for indemnification are asserted or made within such six year period, all rights to indemnification in respect of any such claim or claims will continue until the disposition of any and all such claims). The Indemnified Parties as a group may retain only one law firm to represent them in each applicable jurisdiction with respect to any single action unless there is, under applicable standards of professional conduct, a conflict on any significant issue between the positions of any two or more Indemnified Parties, in which case each Indemnified Party with respect to whom such a conflict exists (or group of such Indemnified Parties who among them have no such conflict) may retain one separate law firm in each applicable jurisdiction.

(c) AVANT shall, after consultation with Celldex, secure a "tail" on its existing directors, officers and Celldex liability insurance policies for a period of six (6) years, at a total cost per year not to exceed 300% of last year's annual premium (the "**Maximum Premium**"), which cost shall be paid by AVANT. If AVANT is unable to obtain the "tail" insurance described in the first sentence of this Section 5.7(c) for an amount equal to or less than the Maximum Premium, AVANT shall be entitled to obtain as much comparable "tail" insurance as possible for an amount equal to the Maximum Premium.

(d) This Section 5.7 will survive the consummation of the Merger at the Effective Time, is intended to benefit AVANT, the Surviving Corporation and the Indemnified Parties, and will be binding on all successors and assigns of the Surviving Corporation and shall be enforceable by the Indemnified Parties as third party beneficiaries.

(f) Nothing contained in this Section 5.7 is intended to limit in any manner and at any time rights that any Indemnified Party may have under and in accordance with all provisions of AVANT's Certificate of Incorporation and Bylaws, which rights shall survive the Effective Time and shall be binding on the Surviving Corporation and all successors and assigns of the Surviving Corporation, in accordance with their respective terms.

57

5.8. NOTIFICATION OF CERTAIN MATTERS.

(a) Celldex shall give prompt notice to AVANT, and AVANT shall give prompt notice to Celldex, of (i) the occurrence, or non-occurrence, of any event or inaccuracy of any representation or warranty contained in this Agreement in either case that, individually or in the aggregate, would reasonably be expected to cause any condition to the obligations of any party to effect the Merger and the other transactions contemplated by this Agreement not to be satisfied, (ii) the failure of such party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it pursuant to this Agreement which, individually or in the aggregate, would reasonably be expected to result in any condition to the obligations of any party to effect the Merger and the other transactions contemplated by this Agreement not to be satisfied or (iii) any actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against or involving or otherwise affecting AVANT or Celldex that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to this Agreement or that relate to the consummation of the transactions contemplated by this Agreement; provided, however, that the delivery of any notice pursuant to this Section shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice; and provided, further, that failure to give such notice shall not be treated as a breach of covenant for the purposes of Sections 6.2(a) and 6.2(b) and 6.3(a) and 6.3(b) unless the failure to give such notice results in material prejudice to the other party.

(b) Each of Celldex and AVANT shall give prompt notice to the other of: (i) any notice or other communication from any person alleging that the consent of such person is or may be required in connection with the Merger or other transactions contemplated by this Agreement; (ii) any notice or other communication from any Governmental Authority in connection with the Merger or other transactions contemplated by this Agreement; (iii) any litigation relating to or involving or otherwise affecting Celldex, its subsidiaries or AVANT that relates to the Merger or other transactions contemplated by this Agreement; (iv) the occurrence of a default or event that, with notice or lapse of time or both, is reasonably likely to become a default under a Celldex Contract; and (v) any change that would be considered reasonably likely to result in a Material Adverse Effect, or is likely to impair in any material respect the ability of either Celldex or AVANT to consummate the transactions contemplated by this Agreement.

5.9. FURTHER ACTION. Upon the terms and subject to the conditions hereof, each of the parties hereto in good faith shall use all commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all other things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement, to obtain in a timely manner all necessary waivers, consents and approvals and to effect all necessary registrations and filings, and to otherwise satisfy or cause to be satisfied all conditions precedent to its obligations under this Agreement.

5.10. PUBLIC ANNOUNCEMENTS. AVANT and Celldex shall consult with each other before issuing any press release or otherwise making any public statements with respect to the Merger or this Agreement and shall not issue any such press release or make any such public statement without the prior consent of the other parties, which shall not be unreasonably withheld or delayed; provided, however, that, on the advice of legal counsel, AVANT may

58

comply with any SEC requirements under the Securities Act or Exchange Act which requires any public disclosure, without the consent of Celldex.

5.11. LISTING OF AVANT COMMON STOCK. AVANT shall use its best efforts to maintain AVANT's existing listing on the NASDAQ, to obtain approval of the listing of the combined company on the NASDAQ at or prior to the Effective Time, and to cause the shares of AVANT Common Stock to be issued in the Merger to be approved for listing (subject to notice of issuance) on the NASDAQ at or prior to the Effective Time, and Celldex shall cooperate in such efforts.

5.12. **CONVEYANCE TAXES.** AVANT and Celldex shall cooperate in the preparation, execution and filing of all returns, questionnaires, applications or other documents regarding any real property transfer or gains, sales, use, transfer, value added, stock transfer and stamp taxes, any transfer, recording, registration and other fees, and any similar taxes which become payable in connection with the transactions contemplated hereby that are required or permitted to be filed on or before the Effective Time. The Surviving Corporation shall pay all such taxes and fees.

5.13. **TAX-FREE REORGANIZATION.** Notwithstanding anything herein to the contrary, each of Merger Sub, AVANT and Celldex shall use its reasonable best efforts to cause the Merger to qualify, and will not take any actions, or fail to take any action, which could reasonably be expected to prevent the Merger from qualifying as a reorganization under the provisions of Section 368(a) of the Code. Each of the parties to this Agreement shall report the Merger for United States federal income tax purposes as a reorganization within the meaning of Section of 368(a) of the Code. AVANT and Celldex will each make available to the other party and their respective legal counsel copies of all returns requested by the other party.

5.14. **BOARD OF DIRECTORS RESIGNATIONS.** AVANT shall cause the directors of AVANT listed on Section 5.14 of the AVANT Disclosure Schedule to deliver resignations effective as of the Effective Time. Celldex shall cause the directors of Celldex listed on Section 5.14 of the Celldex Disclosure Schedule to deliver resignations effective as of the Effective Time.

59

5.15. **EMPLOYMENT AND BENEFIT MATTERS.**

(a) **Provision of Benefits.** For the 12 month period commencing on the Effective Time, AVANT agrees to cause the Surviving Corporation to maintain the compensation levels, including base salary, cash-based incentive opportunities (but not particular historic levels of achievement), retirement, health and welfare benefits, but not any stock-based benefits, for the employees of Celldex or its subsidiaries who remain employed after the Effective Time (the “**Celldex Employees**”) at levels which are, in the aggregate, comparable to those in effect for the Celldex Employees on the date hereof. AVANT will treat, and cause the applicable benefit plans to treat, the service of the Celldex Employees with Celldex or any Subsidiary of Celldex attributable to any period before the Effective Time as service rendered to AVANT for purposes of eligibility to participate, vesting and for other appropriate benefits including, but not limited to, applicability of minimum waiting periods for participation, but not for benefit accrual (including minimum pension amount) and eligibility for early retirement under any defined benefit plan of AVANT or eligibility for retiree welfare benefit plans or as would otherwise result in a duplication of benefits. Without limiting the foregoing, AVANT shall cause any pre-existing conditions or limitations, eligibility waiting periods or required physical examinations under any health or similar plan of AVANT to be waived with respect to the Celldex Employees and their eligible dependents, to the extent waived under the corresponding plan in which the Celldex Employee participated immediately prior to the Effective Time, and any deductibles paid by Celldex Employee under any of Celldex’s or its subsidiaries’ health plans in the plan year in which the Effective Time occurs shall be credited towards deductibles under the health plans of AVANT. AVANT will make appropriate arrangements with its insurance carrier(s) to ensure such result. Except with respect to employees who have entered into employment agreements with Celldex or its subsidiaries listed on Section 2.17(e) of the Celldex Disclosure Schedule, and subject to Section 5.15(c) hereof, the Celldex Employees who remain employed after the Effective Time shall be considered to be employed by AVANT “at will” and nothing shall be construed to limit the ability of AVANT or the Surviving Corporation to terminate the employment of any such Celldex Employee at any time.

(b) **Continuation of Plans.** Subject to Section 5.15(a) hereof, AVANT shall have sole discretion with respect to the determination as to whether or when to terminate, merge or continue any employee benefit plans and programs of Celldex; provided, however, that Celldex shall continue to maintain Celldex plans (other than stock-based plans) until the Celldex Employees are permitted to participate in the plans of AVANT in accordance with Section 5.15(a).

(c) **Existing Compensation Agreements.** AVANT shall honor, in accordance with their terms, all compensation agreements listed in Section 5.15(c) of the Celldex Disclosure Schedule.

(d) **Continuation of Employment.** No provision of this Section 5.15 shall create any third-party beneficiary rights in any employee or former employee (including any beneficiary or dependent thereof) of Celldex or any of its subsidiaries in any respect, including in respect of continued employment (or resumed employment) with AVANT, the Surviving Corporation, and no provision of this Section 5.15 shall create such rights in any such persons in respect of any benefits that may be provided, directly or indirectly, under any employee program or any plan or

60

arrangement of Celldex or any employee program or any plan or arrangement of AVANT. No provision of this Agreement shall constitute a limitation on the rights to amend, modify or terminate after the Effective Time any such plans or arrangements of AVANT.

5.16. **LOCKUP AGREEMENTS.** Concurrently with the execution of this Agreement, each member of Celldex and AVANT’s respective management, each of their respective directors and each Celldex stockholder set forth on Section 5.16 of each of the Celldex Disclosure Schedule and the AVANT Disclosure Schedule have executed and delivered, a lockup agreement in substantially the form of Exhibit B hereto (the “**Lockup Agreement**”), each of which will be in full force and effect as of the Effective Time. AVANT will be entitled to place appropriate legends on the certificate evidencing any AVANT Common Stock to be received by the persons and entities set forth on Section 5.16 of each of the Celldex Disclosure Schedule and the AVANT Disclosure Schedule hereto and to issue appropriate stop transfer instructions to the transfer agent for the AVANT Common Stock, consistent with the terms of the Lockup Agreement.

5.17. **TAKEOVER STATUTES.** The parties shall use their respective reasonable best efforts (i) to take all action necessary so that the Merger and the other transactions contemplated by this Agreement are exempted from any state takeover law and (ii) if any such takeover statute is or becomes applicable to any of the foregoing, to take all action necessary so that the Merger and the other transactions contemplated by this Agreement may be consummated as promptly as practicable on the terms contemplated by this Agreement and otherwise to minimize the effect of such takeover statute on the Merger and the other transactions contemplated by this Agreement.

5.18. **OBLIGATIONS OF MERGER SUB.** AVANT shall take all action necessary to cause Merger Sub to perform its obligations under this Agreement.

5.19. **STOCKHOLDER LITIGATION.** AVANT shall give Celldex a reasonable opportunity to participate in the defense or settlement of any stockholder litigation against AVANT and/or its directors arising after the date hereof as a result of the transactions contemplated by this Agreement, and no such settlement in connection therewith shall be agreed to without Celldex's prior written consent, which shall not be unreasonably withheld or delayed.

5.20. **AFFILIATE LETTERS.** At least 30 days prior to the Closing Date, Celldex shall deliver to AVANT a list of names and addresses of those persons who are, in Celldex's reasonable judgment, "affiliates" (each such Person, an "**Affiliate**") of Celldex within the meaning of Rule 145 promulgated under the Securities Act of 1933, as amended. Celldex shall provide AVANT such information and documents as AVANT shall reasonably request for purposes of reviewing such list. Celldex shall use its reasonable best efforts to deliver or cause to be delivered to AVANT, prior to the Closing Date, from each of the Affiliates of Celldex identified in the foregoing list, an Affiliate Letter in the form attached hereto as Exhibit C ("**Affiliate Letters**"). AVANT shall be entitled to place legends as specified in such Affiliate Letters on the certificates evidencing any shares of AVANT Common Stock to be received by such Affiliates pursuant to the terms of this Agreement, and to issue appropriate stop transfer instructions to the transfer agent for the shares of AVANT Common Stock, consistent with the terms of such Affiliate Letters.

61

ARTICLE VI

CONDITIONS TO THE MERGER

6.1. **CONDITIONS TO OBLIGATION OF EACH PARTY TO EFFECT THE MERGER.** The respective obligations of each party to effect the Merger shall be subject to the satisfaction or waiver in writing at or prior to the Effective Time of the following conditions:

(a) **Governmental Approvals.** All material approvals of, declarations or filings with any Governmental Authority necessary for the consummation of the Merger, if any, shall have been obtained or made. The waiting period (and any extension thereof) under the HSR Act relating to the transaction contemplated hereby will have expired or terminated, if required;

(b) **Stockholder Approval.** The Authorized Share Increase and the Reverse Stock Split shall have been approved by the requisite vote of the stockholders of AVANT, under Delaware Law and AVANT's Certificate of Incorporation and Bylaws, and the issuance of shares of AVANT Common Stock in the Merger shall have been approved by the requisite vote of the stockholders of AVANT under the rules of the NASDAQ Stock Market, Inc. and Delaware Law;

(c) **No Injunctions or Restraints; Illegality.** No temporary restraining order, preliminary or permanent injunction or other order (whether temporary, preliminary or permanent) issued by any court of competent jurisdiction or other legal restraint or prohibition (an "**Injunction**") prohibiting the consummation of the Merger, shall be in effect; and there shall not have been any law enacted, entered, enforced or deemed applicable to the Merger by any Governmental Authority, which makes the consummation of the Merger illegal; and

(d) **Tax Opinions.** AVANT shall have received the written opinion of Goodwin Procter LLP in form and substance reasonably satisfactory to AVANT to the effect that the Merger will constitute a reorganization within the meaning of Section 368 of the Code. Celldex shall have received the written opinion of Lowenstein Sandler PC in form and substance reasonably satisfactory to Celldex to the effect that the Merger will constitute a reorganization within the meaning of Section 368 of the Code. Each of AVANT and Celldex shall have executed and delivered to both Goodwin Procter LLP and Lowenstein Sandler PC a letter (each, a "**Tax Representation Letter**") making reasonable and customary representations relating to certain tax matters. The Tax Representation Letters shall be sufficient to enable each such counsel to render the tax opinion described in this Section 6.1(d) and shall be executed (and, if necessary, re-executed) and delivered at such times as reasonably requested by Celldex, including, without limitation, at Closing.

(e) **Amendment of Certificate of Incorporation.** The amendment of the Certificate of Incorporation effecting the Authorized Share Increase and the Reverse Stock Split shall have been filed with the Secretary of State of Delaware and become effective.

(f) **NASDAQ Listing.** The shares of AVANT Common Stock to be issued in the Merger and to be reserved for issuance upon exercise, vesting or payment under any option or

62

other convertible security shall have been authorized for listing on the NASDAQ Capital Market or the NASDAQ Global Market, subject only to official notice of issuance.

6.2. **ADDITIONAL CONDITIONS TO OBLIGATIONS OF AVANT AND AVANT MERGER SUB.** The obligations of AVANT and Merger Sub to effect the Merger are also subject to the following conditions:

(a) **Representations and Warranties.** The representations and warranties of Celldex contained in this Agreement (together with the Celldex Disclosure Schedule) shall be true and correct as of the date of this Agreement and as of the Effective Time, with the same force and effect as if made on and as of the Effective Time, except for those representations and warranties which address matters only as of a particular date (which shall be true and correct as of such date), in each case, except where the failure of such representations and warranties to be true and correct (without giving effect to any limitation as to "materiality" or "Celldex Material Adverse Effect" set forth in such representations and warranties) would not, in the aggregate, have a Celldex Material Adverse Effect; and AVANT shall have received a certificate to such effect signed by the Chief Executive Officer and Chief Financial Officer of Celldex;

(b) **Agreements and Covenants.** Celldex shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by them on or prior to the Effective Time, and AVANT shall have received a certificate to such effect signed by the Chief Executive Officer and Chief Financial Officer of Celldex;

(c) **Consents Obtained.** AVANT shall have received evidence, in form and substance satisfactory to it, that the consents, waivers, approvals, authorizations or orders required to be obtained, and all filings to be made, by Celldex listed in Section 6.2(c) of the Celldex Disclosure Schedule shall have been obtained and made by Celldex;

(d) Material Adverse Change. Since the date of this Agreement, there shall have been no change, occurrence or circumstance in the business, results of operations or financial condition of Celldex or any subsidiary of Celldex having or reasonably likely to have, individually or in the aggregate, a Celldex Material Adverse Effect; and

(e) Lock-Up Agreements. AVANT shall have received from each person and entity set forth on Section 5.16 of the Celldex Disclosure Schedule an executed Lock-Up Agreement.

6.3. **ADDITIONAL CONDITIONS TO OBLIGATIONS OF CELLDEx.** The obligation of Celldex to effect the Merger is also subject to the following conditions:

(a) Representations and Warranties. The representations and warranties of AVANT contained in this Agreement (together with the AVANT Disclosure Schedule) shall be true and correct as of the date of this Agreement and as of the Effective Time, with the same force and effect as if made on and as of the Effective Time, except for those representations and warranties which address matters only as of a particular date (which shall be true and correct as of such date), in each case, except where the failure of such representations and warranties to be true and correct (without giving effect to any limitation as to “materiality” or “AVANT Material Adverse Effect” set forth in such representations and warranties) would not, in the aggregate, have an

63

AVANT Material Adverse Effect; and Celldex shall have received a certificate to such effect signed by the Chief Executive Officer and Chief Financial Officer of AVANT;

(b) Agreements and Covenants. AVANT shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by it on or prior to the Effective Time, and Celldex shall have received a certificate to such effect signed by the Chief Executive Officer and Chief Financial Officer of AVANT; and

(c) Material Adverse Change. Since the date of this Agreement, there shall have been no change, occurrence or circumstance in the business, results of operations or financial condition of AVANT having or reasonably likely to have, individually or in the aggregate, an AVANT Material Adverse Effect.

ARTICLE VII

TERMINATION

7.1. **TERMINATION.** This Agreement may be terminated at any time prior to the Effective Time, notwithstanding approval thereof by the Board of Directors and stockholders of Celldex and AVANT:

(a) by mutual written consent duly authorized by the Boards of Directors of AVANT and Celldex; or

(b) by either AVANT or Celldex if the Merger shall not have been consummated on or before 11:59 p.m. Eastern time, March 31, 2008 (the “**Drop-Dead Date**”); provided, that the right to terminate this Agreement under this Section 7.1(b) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the principal cause of or the principal reason resulting in the failure of the Merger to occur on or before such date; or

(c) by either AVANT or Celldex if a court of competent jurisdiction or governmental, regulatory or administrative agency or commission shall have issued a non-appealable final order, decree or ruling or taken any other action, in each case having the effect of permanently restraining, enjoining or otherwise prohibiting or rendering illegal the Merger (a “**Governmental Order**”); or

(d) by either AVANT or Celldex, if the required AVANT Stockholder Approval shall not have been obtained by reason of the failure to obtain the requisite vote upon a vote taken at a meeting of stockholders convened therefor or at any postponement or adjournment thereof; or

(e) by AVANT if both it and Merger Sub are not in material breach of their respective obligations under this Agreement, and if (i) any of the representations and warranties of Celldex herein are or become untrue or incorrect such that the condition set forth in Section 6.2(a) would be incapable of being satisfied by the Drop Dead Date or (ii) there has been a breach on the part of the Celldex of any of its covenants or agreements herein such that the condition set forth in Section 6.2(b) would be incapable of being satisfied by the Drop Dead Date

64

and, in either such case, such breach has not been cured within 20 Business Days after Celldex’s receipt of written notice of such breach from AVANT; or

(f) by Celldex if it is not in material breach of its obligations under this Agreement, and if (i) any of the representations and warranties of AVANT herein are or become untrue or incorrect such that the condition set forth in Section 6.3(a) would be incapable of being satisfied by the Drop Dead Date or (ii) there has been a breach on the part of AVANT of any of its covenants or agreements herein such that the condition set forth in Section 6.3(b) would be incapable of being satisfied by the Drop Dead Date and, in either such case, such breach has not been cured within 20 Business Days after AVANT’s receipt of written notice of such breach from Celldex; or

(g) by Celldex if (i) the AVANT Board has either failed to make the Recommendation or effected a Change in Recommendation, (ii) AVANT enters into an agreement with respect to an Acquisition Proposal (other than a confidentiality agreement entered into in compliance with Section 4.4(a)), (iii) a tender offer or exchange offer relating to the AVANT Common Stock and constituting an Acquisition Proposal shall have been commenced by a third party prior to obtaining the AVANT Stockholder Approval and the AVANT Board shall not have recommended that the AVANT’s stockholders reject such tender or exchange offer within ten (10) Business Days following commencement thereof or, in the event of any change in the terms of the tender offer, within ten (10) Business Days of the announcement of such changes (it being understood that, for these purposes, taking no position with respect to acceptance or rejection of

such tender or exchange offer by the AVANT's stockholders, shall constitute a failure to recommend rejection of such tender or exchange offer), (iv) AVANT or the AVANT Board shall have failed to publicly reaffirm the AVANT Board Recommendation within 10 Business Days of receipt of a written request by Celldex to provide such reaffirmation following an Acquisition Proposal; or (v) AVANT publicly announces its intention to do any of the foregoing;

(h) by AVANT, at any time prior to obtaining the AVANT Stockholder Approval, if the AVANT Board has approved and authorized AVANT to enter into a definitive agreement providing for the implementation of a Superior Proposal; provided, however, that no termination of this Agreement under this Section 7.1(h) shall be effective unless AVANT simultaneously pays the Termination Fee required by Section 0 (any purported termination under this Section 7.1(h) shall be void and of no force and effect unless AVANT has made such payment and delivered such acknowledgments); or

(i) by Celldex if (i) the AVANT Board exempts any person other than Celldex from the provisions of Section 203 of the Delaware General Corporation Law unless the AVANT Board has determined in good faith that such action is necessary to comply with its fiduciary duties to the stockholders of AVANT; or (ii) if AVANT shall have failed to call, give notice of, convene and hold the AVANT Stockholders Meeting in accordance with Section 5.2.

7.2. NOTICE OF TERMINATION; EFFECT OF TERMINATION. Any termination of this Agreement under Section 7.1 above will be effective immediately upon the delivery of written notice of the terminating party to the other parties hereto (the "**Termination Date**"). In the event of the termination of this Agreement pursuant to Section 7.1, this Agreement shall

65

forthwith become void and there shall be no liability on the part of any party hereto or any of its affiliates, directors, officers or stockholders except that nothing herein shall relieve any party from liability for any willful breach hereof; provided that no termination of this Agreement shall affect the obligations of the parties contained in the Confidentiality Agreement, all of which obligations shall survive termination of this Agreement in accordance with its terms.

7.3. FEES AND EXPENSES

(a) Except as set forth in this Section 7.3, all fees and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses, whether or not the Merger is consummated.

(b) AVANT agrees that if this Agreement shall be terminated:

(i) by Celldex or AVANT pursuant to Section 7.1(b) or 7.1(d), and (A) at or prior to the Termination Date, an Acquisition Proposal shall have been publicly announced that is not subsequently withdrawn prior to such Termination Date, and (B) concurrently with such termination or within twelve (12) months following the Termination Date, AVANT enters into an agreement with respect to any Acquisition Proposal that is ultimately consummated, or any Acquisition Proposal is consummated, then AVANT shall pay to Celldex, if and when such agreement is entered into (or, if no agreement is entered into, upon consummation of the Acquisition Proposal) the Termination Fee less any Celldex Expenses previously paid (and for purposes of this Section 7.3(b)(i), "50%" shall be substituted for "25% in the definition of Superior Proposal; or

(ii) by Celldex pursuant to Section 7.1(g) or 7.1(i) or AVANT pursuant to Section 7.1(h), then AVANT shall pay to Celldex the Termination Fee.

(c) The Termination Fee shall be paid by AVANT as directed by Celldex in writing in immediately available funds within three (3) Business Days after the date of the event giving rise to the obligation to make such payment, except in connection with a termination under Section 7.1(h), in which case AVANT must pay the Termination Fee simultaneously with such termination.

(d) For purposes of this Agreement, "**Termination Fee**" means an amount equal to \$1,325,000.

(e) If this Agreement is terminated by AVANT pursuant to Section 7.1(e), Celldex shall pay to AVANT within three (3) Business Days after the date of termination all reasonable out-of-pocket costs and expenses, including, the reasonable fees and expenses of lawyers, accountants, consultants, financial advisors, lenders and investment bankers, incurred by AVANT in connection with the entering into of this Agreement and the carrying out of any and all acts contemplated hereunder up to an aggregate maximum amount of \$250,000 (the "**AVANT Expenses**"). If this agreement is terminated by Celldex pursuant to Section 7.1(f), AVANT shall pay to Celldex, within three (3) Business Days after the date of termination, all reasonable out-of-pocket costs and expenses including, the reasonable fees and expenses of lawyers, accountants, consultants, financial advisors, lenders and investment bankers, incurred by Celldex in connection with the entering into of this Agreement and the carrying out of any and all acts

66

contemplated hereunder up to an aggregate maximum amount of \$250,000 (the "**Celldex Expenses**"). The payment of expenses set forth in this Section 7.2(e) is not an exclusive remedy, but is in addition to any other rights or remedies available to the parties hereto (whether at law or in equity), and in no respect is intended by the parties hereto to constitute liquidated damages, or be viewed as an indicator of the damages payable, or in any other respect limit or restrict damages available in case of any breach of this Agreement.

(f) Each of AVANT and Celldex acknowledges that the agreements contained in this Section 7.2 are an integral part of the transactions contemplated by this Agreement. In the event that AVANT shall fail to pay the Termination Fee or Celldex Expenses when due or Celldex shall fail to pay the AVANT Expenses when due, AVANT or Celldex, as the case may be, shall reimburse the other party for all reasonable costs and expenses actually incurred or accrued by such other party (including reasonable fees and expenses of counsel) in connection with the collection under and enforcement of this Section 7.2.

ARTICLE VIII

GENERAL PROVISIONS

8.1. EFFECTIVENESS OF REPRESENTATIONS, WARRANTIES AND AGREEMENTS. Except as expressly provided elsewhere in this Agreement, the representations, warranties and agreements in this Agreement shall terminate at the Effective Time or upon the termination of this Agreement

pursuant to Section 7.1, as the case may be, except that the covenants which, by their terms, survive the Effective Time shall survive the Effective Time and those set forth in Section 7.3 shall survive termination. The Confidentiality Agreement shall remain in full force and effect and shall survive termination of this Agreement as provided therein.

8.2. NOTICES. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered if delivered personally, three (3) days after being sent by registered or certified mail (postage prepaid, return receipt requested), one day after dispatch by nationally recognized overnight courier (provided delivery is confirmed by the carrier) and upon transmission by telecopy, confirmed received, to the parties at the following addresses (or at such other address for a party as shall be specified by like changes of address):

(a) If to AVANT or Merger Sub:

AVANT Immunotherapeutics, Inc.
119 Fourth Avenue
Needham, MA 02494
Attn: Chief Executive Officer
Fax: (781) 433-3101

With a copy to:

Goodwin Procter LLP

67

Exchange Place
53 State Street
Boston, MA 02109
Attn: Stuart M. Cable, Esq.
John T. Haggerty, Esq.
Fax: (617) 523-1231

(b) If to Celldex:

Celldex Therapeutics, Inc.
222 Cameron Drive, Suite 400
Phillipsburg, NJ 08855
Attn: Chief Financial Officer
Fax: (908) 454-1911

With a copy to:

Lowenstein Sandler PC
65 Livingston Avenue
Roseland, NJ 07068
Attn: Anthony O. Pergola, Esq.
Fax: (973) 597-2445

8.3. CERTAIN DEFINITIONS. For purposes of this Agreement, the term:

(a) **“Acquisition Proposal”** means any inquiry, proposal or offer received after the date hereof from any person or group of persons other than Celldex relating to (i) any direct or indirect acquisition (in one or a series of related transactions) of (A) more than 25% of the assets, of AVANT and its subsidiaries, taken as a whole, (B) a sale, lease, exchange, license, mortgage, transfer or other disposition of 25% or more of the assets of AVANT and its subsidiaries, taken as a whole or (C) shares of capital stock of other securities of AVANT representing 25% or more of the voting power of the capital stock of AVANT or any of its subsidiaries; (ii) any tender offer or exchange offer, as defined pursuant to the Exchange Act, that, if consummated, would result in any person or “group” (as such term is defined under the Exchange Act) beneficially owning 25% or more of the outstanding equity securities of AVANT; (iii) any merger, consolidation, business combination, recapitalization, or similar transaction involving AVANT, other than the Merger pursuant to which the stockholders of AVANT prior to consummation of such transaction would hold less than 50% of the outstanding shares or equity interests of the surviving or resulting person or parent thereof; (iv) a liquidation or dissolution of AVANT; or (v) any transaction which is similar in form, substance or purpose to any of the foregoing transactions (other than the Merger);

(b) **“Additional Shares”** means a number of shares of AVANT Common Stock to be issued to Medarex, Inc. pursuant to that certain settlement agreement with Celldex dated as of October 19, 2007 equal to the quotient obtained by dividing (x) 3,000,000 by (y) the per share closing price of AVANT Common Stock on the NASDAQ on the second (2nd) trading day prior

68

to the Closing Date, as equitably adjusted to account for any stock splits, reverse stock splits or similar changes in capitalization;

(c) **“affiliates”** means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the first mentioned person, including, without limitation, any partnership or joint venture in which Celldex or AVANT, as the case may be, (either alone, or through or together with any other subsidiary) has, directly or indirectly, an interest of ten percent (10%) or more;

(d) “**AVANT Material Adverse Effect**” means any event, circumstance, change or effect that, individually or in the aggregate, is materially adverse to the business, properties, condition (financial or otherwise) or results of operations of AVANT and its subsidiaries, taken as a whole or that has a material adverse effect on the ability of AVANT and its subsidiaries to consummate the transactions contemplated by this Agreement, provided, however, that in no event shall any of the following, to the extent occurring after the date hereof, alone or in combination with each other, be deemed to constitute, nor shall any of the following be taken into account in determining whether there has been, an AVANT Material Adverse Effect: (A) any change in the market price or trading volume of the AVANT Common Stock, (B) any change in general economic or business conditions except to the extent that such changes have a materially disproportionate adverse effect on AVANT relative to other similarly situated participants in the business or industry in which AVANT operates, (C) any change in financial or securities market conditions generally, except to the extent that such changes have a materially disproportionate adverse effect on AVANT relative to other similarly situated participants in the business or industry in which AVANT operates, (D) any events, circumstances, changes or effects generally affecting the United States biotechnology industry except to the extent that such changes have a materially disproportionate adverse effect on AVANT relative to other similarly situated participants in the business or industry which AVANT operates, (E) any change in legal, political or regulatory conditions generally or in any geographic region in which AVANT or any of its subsidiaries operates, (F) the announcement of the execution of this Agreement or anticipation of the Merger or the pendency thereof, (G) any events, circumstances, changes or effects arising from the taking of any action required by this Agreement or the failure to take any action prohibited by this Agreement, (H) acts of war, armed hostilities, sabotage or terrorism, or any escalation of any such acts of war, armed hostilities, sabotage or terrorism threatened or underway as of the date of this Agreement, except to the extent that such changes have a materially disproportionate adverse effect on AVANT relative to other similarly situated participants in the business or industry and in any geographic region in which AVANT operates, (I) any failure to meet any internal or published projections, forecasts or revenue or earnings predictions for any period, or (J) changes in law or GAAP after the date of this Agreement;

(e) “**AVANT Representative**” means any officer, manager, director, employee, or agent or any investment banker, financial advisor, attorney, accountant or other representative of AVANT or its subsidiaries.

(f) “**Business Day**” means any day other than a day on which banks in Boston, Massachusetts are required or authorized to be closed;

69

(g) “**Celldex Acquisition Proposal**” means any inquiry, proposal or offer received after the date hereof from any person or group of persons other than AVANT relating to (i) any direct or indirect acquisition (in one or a series of related transactions) of (A) more than 25% of the assets of Celldex and its subsidiaries, taken as a whole, (B) a sale, lease, exchange, license, mortgage, transfer or other disposition of 25% or more of the assets of Celldex and its subsidiaries, taken as a whole or (C) shares of capital stock of other securities of Celldex representing 25% or more of the voting power of the capital stock of Celldex or any of its subsidiaries; (ii) any tender offer or exchange offer, as defined pursuant to the Exchange Act, that, if consummated, would result in any person or “group” (as such term is defined under the Exchange Act) beneficially owning 25% or more of the outstanding equity securities of Celldex; (iii) any merger, consolidation, business combination, recapitalization, or similar transaction involving Celldex, other than the Merger pursuant to which the stockholders of Celldex prior to consummation of such transaction would hold less than 50% of the outstanding shares or equity interests of the surviving or resulting person or parent thereof; (iv) a liquidation or dissolution of Celldex; or (v) any transaction which is similar in form, substance or purpose to any of the foregoing transactions (other than the Merger);

(h) “**Celldex Material Adverse Effect**” means any event, circumstance, change or effect that, individually or in the aggregate, is materially adverse to the business, properties, condition (financial or otherwise) or results of operations of Celldex and its subsidiaries, taken as a whole or that has a material adverse effect on the ability of Celldex and its subsidiaries to consummate the transactions contemplated by this Agreement, provided, however, that in no event shall any of the following, to the extent occurring after the date hereof, alone or in combination with each other, be deemed to constitute, nor shall any of the following be taken into account in determining whether there has been, a Celldex Material Adverse Effect: (A) any change in the market price or trading volume of the Celldex Common Stock, (B) any change in general economic or business conditions except to the extent that such changes have a materially disproportionate adverse effect on Celldex relative to other similarly situated participants in the business or industry in which Celldex operates, (C) any change in financial or securities market conditions generally, except to the extent that such changes have a materially disproportionate adverse effect on Celldex relative to other similarly situated participants in the business or industry in which Celldex operates, (D) any events, circumstances, changes or effects generally affecting the United States biotechnology industry except to the extent that such changes have a materially disproportionate adverse effect on Celldex relative to other similarly situated participants in the business or industry which Celldex operates, (E) any change in legal, political or regulatory conditions generally or in any geographic region in which the Celldex or any of its subsidiaries operates, (F) the announcement of the execution of this Agreement or anticipation of the Merger or the pendency thereof, (G) any events, circumstances, changes or effects arising from the taking of any action required by this Agreement or the failure to take any action prohibited by this Agreement, (H) acts of war, armed hostilities, sabotage or terrorism, or any escalation of any such acts of war, armed hostilities, sabotage or terrorism threatened or underway as of the date of this Agreement, except to the extent that such changes have a materially disproportionate adverse effect on Celldex relative to other similarly situated participants in the business or industry and in any geographic region in which Celldex operates or (I) any failure to meet any internal or published projections, forecasts or revenue or earnings predictions for any period, or (J) changes in law or GAAP after the date of this Agreement;

70

(i) “**law**” means any U.S. federal, state or local or foreign law, statute, ordinance, rule, regulation, permit, order, judgment or decree.

(j) “**person**” means a person, corporation, partnership, association, trust, unincorporated organization, other entity or group (as defined in Section 13(d)(3) of the Exchange Act);

(k) “**subsidiary**” or “**subsidiaries**” of the Surviving Corporation, AVANT, Celldex or any other person means any corporation, partnership, joint venture or other legal entity of which the Surviving Corporation, AVANT, Celldex or such other person, as the case may be (either alone or through or together with any other subsidiary), owns, directly or indirectly, more than fifty percent (50%) of the stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity;

(l) “**Superior Proposal**” means a written Acquisition Proposal (with “50%” substituted for “25%” in the definition of Acquisition Proposal) (on its most recently amended and modified terms, if amended and modified), (i) which the board of directors of AVANT or Celldex, as applicable, determines, in its good faith judgment, after receiving the advice of its financial advisor (which shall be a nationally recognized investment banking firm and which in the case of AVANT may be Needham & Company, LLC) and after taking into account all the terms and conditions of the AVANT Acquisition

Proposal and such other factors as the applicable board of directors deems relevant, is more favorable from a financial point of view to the stockholders of AVANT or Celldex, as applicable (in their capacities as stockholders) than those contemplated by this Agreement (including any alterations to this Agreement agreed to in a counterproposal or other writing by the affected party in response thereto), (ii) the conditions to the consummation of which are all reasonably capable of being satisfied, and (iii) for which financing, to the extent required in order to pay the AVANT stockholders their consideration, is then committed.

8.4. **AMENDMENT.** This Agreement may be amended by the parties hereto by action taken by or on behalf of their respective Boards of Directors at any time prior to the Effective Time; provided, however, that, after the Boards of Directors of AVANT and Celldex approve this Agreement and declare its advisability and after the stockholders of Celldex approve this Agreement and the stockholders of AVANT approve the issuance of shares in the Merger, no amendment may be made which by law requires further approval by such stockholders or Boards of Directors without such further approval. This Agreement may not be amended except by an instrument in writing signed by the parties hereto.

8.5. **WAIVER.** At any time prior to the Effective Time, any party hereto may, with respect to any other party hereto, (a) extend the time for the performance of any of the obligations or other acts, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto and (c) waive compliance with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid if set forth in an instrument in writing signed by the party or parties to be bound.

71

8.6. **HEADINGS.** The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

8.7. **SEVERABILITY.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

8.8. **ENTIRE AGREEMENT.** This Agreement, the AVANT Disclosure Schedules, the Celldex Disclosure Schedules, and any other agreements entered into by the parties hereto concurrently herewith constitutes the entire agreement and supersedes all prior agreements and undertakings (other than the Confidentiality Agreement), both written and oral, among the parties, or any of them, with respect to the subject matter hereof and, except as otherwise expressly provided herein, are not intended to confer upon any other person any rights or remedies hereunder.

8.9. **ASSIGNMENT.** No party may assign this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other parties hereto.

8.10. **PARTIES IN INTEREST.** This Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, expressed or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, other than Section 5.7 (which is intended to be for the benefit of the Indemnified Parties and may be enforced by such Indemnified Parties).

8.11. **FAILURE OR INDULGENCE NOT WAIVER; REMEDIES CUMULATIVE.** No failure or delay on the part of any party hereto in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty or agreement herein, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

8.12. **GOVERNING LAW.** This agreement shall be governed by, and construed in accordance with, the internal laws of the State of Delaware applicable to contracts executed and fully performed within the State of Delaware.

8.13. **OTHER REMEDIES; SPECIFIC PERFORMANCE.** Except as otherwise provided herein, any and all remedies herein expressly conferred upon a party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such party, and the exercise by a party of any one remedy will not preclude the exercise of any other remedy. The parties hereto agree that irreparable damage would occur in the event that

72

any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that, except as otherwise provided herein, the parties shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being the addition to any other remedy to which they are entitled at law or in equity.

8.14. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

73

IN WITNESS WHEREOF, AVANT, Merger Sub and Celldex have caused this Agreement to be executed as of the date first written above by their respective officers or representatives thereunto duly authorized.

AVANT IMMUNOTHERAPEUTICS, INC.

By: /s/ Una S. Ryan
Name: Una S. Ryan, Ph.D.
Title: President and Chief Executive Officer

CALLISTO MERGER CORPORATION

By: /s/ Una S. Ryan
Name: Una S. Ryan, Ph.D.
Title: President and Director

CELLDEX THERAPEUTICS, INC.

By: /s/ Anthony Marucci
Name: Anthony Marucci
Title: Vice President and Chief Financial
Officer

THIRD AMENDMENT TO
AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS THIRD AMENDMENT TO AMENDED AND RESTATED EMPLOYMENT AGREEMENT ("Amendment") by and between AVANT Immunotherapeutics, Inc., a Delaware corporation (f/k/a "T Cell Sciences, Inc.," the "Company") and Una S. Ryan, Ph.D. (the "Executive"), is dated as of October 19, 2007.

WHEREAS, the Company and the Executive entered into an Employment Agreement as of May 28, 1996 (the "Original Agreement");

WHEREAS, the Company and the Executive entered into an Amended and Restated Employment Agreement as of August 20, 1998 (the "Employment Agreement"), which Employment Agreement amended, restated and superseded the Original Agreement;

WHEREAS, the Employment Agreement was amended by the First Amendment and the Second Amendment thereto; and

WHEREAS, the parties agree to further amend certain provisions of the Employment Agreement in accordance with Paragraph 19 thereof.

NOW, THEREFORE, the Company and the Executive, each intending to be legally bound hereby, do mutually covenant and agree as follows:

1. Paragraph 3 of the Employment Agreement is hereby amended by deleting said Paragraph in its entirety and substituting therefor the following:

3. Term. Subject to the provisions of Paragraph 6, the term of employment pursuant to this Agreement (the "Term") shall be extended for 13 months from the Effective Date of the Merger (as defined in the Agreement and Plan of Merger, dated as of October 19, 2007, among certain parties including Avant Immunotherapeutics, Inc., and Callisto Therapeutics, Inc.) and shall be renewed automatically for periods of one (1) year commencing on the 13-month anniversary of the Effective Date and each subsequent anniversary thereafter, unless either the Executive or the Company gives written notice to the other not less than sixty (60) days prior to the date of any such anniversary of such party's election not to extend the Term."

2. Subparagraph 6(d) of the Employment Agreement is amended by deleting Subparagraph (ii)(E) thereof and renumbering Subparagraph (ii) (F) as new Subparagraph (ii)(E).

3. Subparagraph 6(f)(i) of the Employment Agreement is hereby amended by deleting such subparagraph in its entirety and substituting therefor the following:

“(i) In the event of termination of the Executive’s employment with the Company by the Company without Cause pursuant to Section 6(c) or by the Executive for Good Reason pursuant to Section 6(d) above at any time after the Merger, or if the Executive resigns or is terminated by the Company on or after the first anniversary of the Merger for any reason, the Company shall pay to the Executive a special retirement payment in the amount of \$1,323,203.”

4. Effective as of January 1, 2008, Paragraph 6 of the Employment Agreement is hereby further amended by adding the following new Subparagraph (i) immediately after Subparagraph (h) thereof:

(i) Specified Employee. Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive’s termination of employment, the Executive is considered a ‘specified employee’ within the meaning of Section 409A(a)(2)(B)(i) of the Internal Revenue Code of 1986, as amended (the ‘Code’), and if any payment that the Executive becomes entitled to under this Agreement would be considered deferred compensation subject to interest and additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, then no such payment shall be payable prior to the date that is the earlier of (A) six months and a day after the Executive’s separation from service, or (B) the Executive’s death. Any such deferred payment shall earn simple interest calculated at the short-term applicable federal rate in effect on the date of the Executive’s separation from service. The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.”

5. Effective as of January 1, 2008, Subparagraph 6(f)(iii) of the Employment Agreement is further amended by deleting the third sentence thereof in its entirety and substituting therefor the following:

“The initial Gross-Up Payment, if any, as determined pursuant to this Subparagraph 6(f)(iii), shall be paid by the Company as withholding taxes to the taxing authorities on behalf of the Executive at such time or times when the Excise Tax is due.”

6. Except as so amended, the Employment Agreement in all other respects is hereby confirmed.

7. The provisions of Sections 4 and 5 of this Third Amendment shall become effective as of January 1, 2008. The remaining provisions of this Third Amendment shall become effective upon the consummation of the Merger and such provisions shall be null and void if the Merger is not consummated.

IN WITNESS WHEREOF, this Third Amendment has been executed as a sealed instrument by the Company, by its duly authorized officer, and by the Executive, as of the date first written herein above.

By: /s/ Avery W. Catlin

Name: Avery W. Catlin

Title: Senior Vice President and
Chief Financial Officer

/s/ Una S. Ryan

Name: Una S. Ryan, Ph.D.

Title: President and Chief Executive
Officer

AVANT IMMUNOTHERAPEUTICS, INC.

2008 STOCK OPTION AND INCENTIVE PLAN

SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the AVANT Immunotherapeutics, Inc. 2008 Stock Option and Incentive Plan (the “Plan”). The purpose of the Plan is to encourage and enable the officers, employees, Non-Employee Directors and other key persons (including consultants and prospective employees) of AVANT Immunotherapeutics, Inc. (the “Company”) and its Subsidiaries upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business to acquire a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company’s welfare will assure a closer identification of their interests with those of the Company and its stockholders, thereby stimulating their efforts on the Company’s behalf and strengthening their desire to remain with the Company.

The following terms shall be defined as set forth below:

“Act” means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

“Administrator” means either the Board or the compensation committee of the Board or a similar committee performing the functions of the compensation committee and which is comprised of not less than two Non-Employee Directors who are independent.

“Award” or “Awards,” except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Deferred Stock Awards, Restricted Stock Awards, Unrestricted Stock Awards, Cash-Based Awards, Performance Share Awards and Dividend Equivalent Rights.

“Award Agreement” means a written or electronic agreement setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Agreement is subject to the terms and conditions of the Plan.

“Board” means the Board of Directors of the Company.

“Cash-Based Award” means an Award entitling the recipient to receive a cash-denominated payment.

“Change of Control” is defined in Section 20.

“Code” means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

“Covered Employee” means an employee who is a “Covered Employee” within the meaning of Section 162(m) of the Code.

“Deferred Stock Award” means an Award of phantom stock units to a grantee.

“Dividend Equivalent Right” means an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other award to which it relates) if such shares had been issued to and held by the grantee.

“Effective Date” means the date on which the Plan is approved by stockholders as set forth in Section 22.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

“Fair Market Value” of the Stock on any given date means the fair market value of the Stock determined in good faith by the Administrator; provided, however, that if the Stock is admitted to quotation on the National Association of Securities Dealers Automated Quotation System (“NASDAQ”), NASDAQ Capital Market or another national securities exchange, the determination shall be made by reference to market quotations. If there are no market quotations for such date, the determination shall be made by reference to the last date preceding such date for which there are market quotations.

“Incentive Stock Option” means any Stock Option designated and qualified as an “incentive stock option” as defined in Section 422 of the Code.

“Non-Employee Director” means a member of the Board who is not also an employee of the Company or any Subsidiary.

“Non-Qualified Stock Option” means any Stock Option that is not an Incentive Stock Option.

“Option” or “Stock Option” means any option to purchase shares of Stock granted pursuant to Section 5.

“Performance-Based Award” means any Restricted Stock Award, Deferred Stock Award, Performance Share Award or Cash-Based Award granted to a Covered Employee that is intended to qualify as “performance-based compensation” under Section 162(m) of the Code and the regulations promulgated thereunder.

“Performance Criteria” means the performance criteria used in performance goals governing Performance-based Awards granted to Covered Employees which may include any or all of the following: (i) the Company’s return on equity, assets, capital or investment, (ii) pre-tax or after-tax profit levels of the Company or any Subsidiary, a division, an operating unit or a business segment of the Company, or any combination of the foregoing; (iii) cash flow, funds from operations, year-end cash and equivalents balance or similar measure; (iv) total shareholder return; (v) changes in the market price of the Stock; (vi) sales or market share; (vii) earnings per share; (viii) partnerships, collaborations, joint ventures, alliances and similar arrangements involving the Company; (ix) mergers, acquisitions and business combinations of or by the Company; or (x) the Company’s rights to intellectual property and scientific discoveries.

“*Performance Cycle*” means one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Criteria will be measured for the purpose of determining a grantee’s right to and the payment of a Restricted Stock Award, Deferred Stock Award, Performance Share Award or Cash-Based Award.

“*Performance Goals*” means, for a Performance Cycle, the specific goals established in writing by the Administrator for a Performance Cycle based upon the Performance Criteria.

“*Performance Share Award*” means an Award entitling the recipient to acquire shares of Stock upon the attainment of specified Performance Goals.

“*Restricted Stock Award*” means an Award entitling the recipient to acquire, at such purchase price (which may be zero) as determined by the Administrator, shares of Stock subject to such restrictions and conditions as the Administrator may determine at the time of grant.

“*Sale Event*” shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation in which the outstanding shares of Stock are converted into or exchanged for securities of the successor entity and the holders of the Company’s outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the successor entity immediately upon completion of such transaction, or (iii) the sale of all of the Stock of the Company to an unrelated person or entity.

“*Sale Price*” means the value as determined by the Administrator of the consideration payable, or otherwise to be received by stockholders, per share of Stock pursuant to a Sale Event.

“*Section 409A*” means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

“*Stock*” means the Common Stock, par value \$.01 per share, of the Company, subject to adjustments pursuant to Section 3.

“*Stock Appreciation Right*” means an Award entitling the recipient to receive shares of Stock having a value equal to the excess of the Fair Market Value of the Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

“*Subsidiary*” means any corporation or other entity (other than the Company) in which the Company has at least a 50 percent interest, either directly or indirectly.

“*Ten Percent Owner*” means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent or subsidiary corporation.

“*Unrestricted Stock Award*” means an Award of shares of Stock free of any restrictions.

SECTION 2. ADMINISTRATION OF PLAN; ADMINISTRATOR AUTHORITY TO SELECT GRANTEEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Administrator.

(b) Powers of Administrator. The Administrator shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

(i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the extent, if any, of Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Deferred Stock Awards, Unrestricted Stock Awards, Cash-Based Awards, Performance Share Awards and Dividend Equivalent Rights, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of shares of Stock to be covered by any Award;

(iv) to determine and modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the form of written instruments evidencing the Awards;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award;

(vi) subject to the provisions of Section 5(a)(ii), to extend at any time the period in which Stock Options may be exercised; and

(vii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including related written instruments); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Administrator shall be binding on all persons, including the Company and Plan grantees.

(c) Delegation of Authority to Grant Options. Subject to applicable law, the Administrator, in its discretion, may delegate to the Chief Executive Officer of the Company all or part of the Administrator’s authority and duties with respect to the granting of Options, to individuals who are (i) not

subject to the reporting and other provisions of Section 16 of the Exchange Act and (ii) not Covered Employees. Any such delegation by the Administrator shall include a limitation as to the amount of Options that may be granted during the period of the delegation and shall contain guidelines as to the determination of the exercise price and the vesting criteria. The Administrator may revoke or amend the terms of a delegation at any time

4

but such action shall not invalidate any prior actions of the Administrator's delegate or delegates that were consistent with the terms of the Plan.

(d) Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award which may include, without limitation, the term of an Award, the provisions applicable in the event employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

(e) Indemnification. Neither the Board nor the Administrator, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Administrator (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's articles or bylaws or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

SECTION 3. STOCK ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION

(a) Stock Issuable. The maximum number of shares of Stock reserved and available for issuance under the Plan shall be 18,000,000 shares, subject to adjustment as provided in Section 3(b); provided that not more than 4,500,000 shares shall be issued in the form of Unrestricted Stock Awards, Restricted Stock Awards, Deferred Stock Awards or Performance Share Awards. For purposes of this limitation, the shares of Stock underlying the Awards granted under the Plan that are forfeited, canceled or otherwise terminated (other than by exercise) shall be added back to the shares of Stock available for issuance under the Plan. Subject to such overall limitations, shares of Stock may be issued up to such maximum number pursuant to any type or types of Award; provided, however, that Stock Options or Stock Appreciation Rights with respect to no more than 4,000,000 shares of Stock may be granted to any one individual grantee during any one calendar year period. The shares available for issuance under the Plan may be authorized but unissued shares of Stock or shares of Stock reacquired by the Company.

(b) Changes in Stock. Subject to Section 3(c) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding shares of Stock are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Stock or other securities, or, if, as a result of any merger or consolidation, sale of all or substantially all of the assets of the Company, the outstanding shares of Stock are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof), the Administrator shall make an appropriate or proportionate adjustment in (i) the maximum number of shares reserved for issuance under the Plan, including the maximum number of shares that may be issued in the form of Unrestricted Stock Awards, Restricted Stock Awards, Deferred

5

Stock Awards or Performance Share Awards, (ii) the number of Stock Options or Stock Appreciation Rights that can be granted to any one individual grantee and the maximum number of shares that may be granted under a Performance-Based Award, (iii) the number and kind of shares or other securities subject to any then outstanding Awards under the Plan, (iv) the repurchase price, if any, per share subject to each outstanding Restricted Stock Award, and (v) the price for each share subject to any then outstanding Stock Options and Stock Appreciation Rights under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Stock Options and Stock Appreciation Rights) as to which such Stock Options and Stock Appreciation Rights remain exercisable. The Administrator shall also make equitable or proportionate adjustments in the number of shares subject to outstanding Awards and the exercise price and the terms of outstanding Awards to take into consideration cash dividends paid other than in the ordinary course or any other extraordinary corporate event. The adjustment by the Administrator shall be final, binding and conclusive. No fractional shares of Stock shall be issued under the Plan resulting from any such adjustment, but the Administrator in its discretion may make a cash payment in lieu of fractional shares.

(c) Mergers and Other Transactions. Upon the effective time of the Sale Event, the Plan and all outstanding Awards granted hereunder shall terminate, unless provision is made in connection with the Sale Event in the sole discretion of the parties thereto for the assumption or continuation of Awards theretofore granted by the successor entity, or the substitution of such Awards with new Awards of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree (after taking into account any acceleration hereunder). In the event of such termination, (i) the Company shall have the option (in its sole discretion) to make or provide for a cash payment to the grantees holding Options and Stock Appreciation Rights, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the Sale Price multiplied by the number of shares of Stock subject to outstanding Options and Stock Appreciation Rights (to the extent then exercisable (after taking into account any acceleration hereunder) at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding Options and Stock Appreciation Rights; or (ii) each grantee shall be permitted, within a specified period of time prior to the consummation of the Sale Event as determined by the Administrator, to exercise all outstanding Options and Stock Appreciation Rights held by such grantee.

(d) Substitute Awards. The Administrator may grant Awards under the Plan in substitution for stock and stock based awards held by employees, directors or other key persons of another corporation in connection with the merger or consolidation of the employing corporation with the Company or a Subsidiary or the acquisition by the Company or a Subsidiary of property or stock of the employing corporation. The Administrator may direct that the substitute awards be granted on such terms and conditions as the Administrator considers appropriate in the circumstances. Any substitute Awards granted under the Plan shall not count against the share limitation set forth in Section 3(a).

SECTION 4. ELIGIBILITY

Grantees under the Plan will be such full or part-time officers and other employees, Non-Employee Directors and key persons (including consultants and prospective employees) of the

Company and its Subsidiaries as are selected from time to time by the Administrator in its sole discretion.

SECTION 5. STOCK OPTIONS

Any Stock Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the Company or any Subsidiary that is a “subsidiary corporation” within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

Stock Options granted pursuant to this Section 5 shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable.

(a) Exercise Price. The exercise price per share for the Stock covered by a Stock Option granted pursuant to this Section 5 shall be determined by the Administrator at the time of grant but shall not be less than 100 percent of the Fair Market Value on the date of grant. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the option price of such Incentive Stock Option shall be not less than 110 percent of the Fair Market Value on the grant date.

(b) Option Term. The term of each Stock Option shall be fixed by the Administrator, but no Stock Option shall be exercisable more than ten years after the date the Stock Option is granted. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five years from the date of grant.

(c) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Administrator at or after the grant date. The Administrator may at any time accelerate the exercisability of all or any portion of any Stock Option. An optionee shall have the rights of a stockholder only as to shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options.

(d) Method of Exercise. Stock Options may be exercised in whole or in part, by giving written notice of exercise to the Company, specifying the number of shares to be purchased. Payment of the purchase price may be made by one or more of the following methods to the extent provided in the Option Award Agreement:

(i) In cash, by certified or bank check or other instrument acceptable to the Administrator;

(ii) Through the delivery (or attestation to the ownership) of shares of Stock that have been purchased by the optionee on the open market or that are beneficially owned by the optionee and are not then subject to restrictions under any Company plan. Such surrendered shares shall be valued at Fair Market Value on the exercise date. To the extent required to avoid

variable accounting treatment under FAS 123R or other applicable accounting rules, such surrendered shares shall have been owned by the optionee for at least six months; or

(iii) By the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Administrator shall prescribe as a condition of such payment procedure.

Payment instruments will be received subject to collection. The transfer to the optionee on the records of the Company or of the transfer agent of the shares of Stock to be purchased pursuant to the exercise of a Stock Option will be contingent upon receipt from the optionee (or a purchaser acting in his stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such shares and the fulfillment of any other requirements contained in the Option Award Agreement or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the optionee). In the event an optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the optionee upon the exercise of the Stock Option shall be net of the number of attested shares. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Stock Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Stock Options may be permitted through the use of such an automated system.

(iv) Annual Limit on Incentive Stock Options. To the extent required for “incentive stock option” treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the time of grant) of the shares of Stock with respect to which Incentive Stock Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by an optionee during any calendar year shall not exceed \$100,000. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

SECTION 6. STOCK APPRECIATION RIGHTS

(a) Exercise Price of Stock Appreciation Rights. The exercise price of a Stock Appreciation Right shall not be less than 100 percent of the Fair Market Value of the Stock on the date of grant.

(b) Grant and Exercise of Stock Appreciation Rights. Stock Appreciation Rights may be granted by the Administrator independently of any Stock Option granted pursuant to Section 5 of the Plan.

(c) Terms and Conditions of Stock Appreciation Rights. Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined from time to time by the Administrator.

SECTION 7. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Administrator shall determine the restrictions and conditions applicable to each Restricted Stock Award at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The grant of a Restricted Stock Award is contingent on the grantee executing the Restricted Stock Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees.

(b) Rights as a Stockholder. Upon execution of the Restricted Stock Award Agreement and payment of any applicable purchase price, a grantee shall have the rights of a stockholder with respect to the voting of the Restricted Stock, subject to such conditions contained in the Restricted Stock Award Agreement. Unless the Administrator shall otherwise determine, (i) uncertificated Restricted Stock shall be accompanied by a notation on the records of the Company or the transfer agent to the effect that they are subject to forfeiture until such Restricted Stock are vested as provided in Section 7(d) below, and (ii) certificated Restricted Stock shall remain in the possession of the Company until such Restricted Stock is vested as provided in Section 7(d) below, and the grantee shall be required, as a condition of the grant, to deliver to the Company such instruments of transfer as the Administrator may prescribe.

(c) Restrictions. Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Restricted Stock Award Agreement. Except as may otherwise be provided by the Administrator either in the Award Agreement or, subject to Section 18 below, in writing after the Award Agreement is issued if a grantee's employment (or other service relationship) with the Company and its Subsidiaries terminates for any reason, any Restricted Stock that has not vested at the time of termination shall automatically and without any requirement of notice to such grantee from or other action by or on behalf of, the Company be deemed to have been reacquired by the Company at its original purchase price (if any) from such grantee or such grantee's legal representative simultaneously with such termination of employment (or other service relationship), and thereafter shall cease to represent any ownership of the Company by the grantee or rights of the grantee as a stockholder. Following such deemed reacquisition of unvested Restricted Stock that are represented by physical certificates, a grantee shall surrender such certificates to the Company upon request without consideration.

(d) Vesting of Restricted Stock. The Administrator at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Stock and the Company's right of repurchase or forfeiture shall lapse. Notwithstanding the foregoing, in the event that any such Restricted Stock granted to employees shall have a performance-based goal, the restriction period with respect to such shares shall not be less than one year, and in the event any such Restricted Stock granted to employees shall have a time-based restriction, the total restriction period with respect to such shares shall not be less than three years; provided, however, that Restricted Stock with a time-based restriction may become vested incrementally over such three-year period. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the shares on which all restrictions have

lapsed shall no longer be Restricted Stock and shall be deemed "vested." Except as may otherwise be provided by the Administrator either in the Award Agreement or, subject to Section 18 below, in writing after the Award Agreement is issued, a grantee's rights in any shares of Restricted Stock that have not vested shall automatically terminate upon the grantee's termination of employment (or other service relationship) with the Company and its Subsidiaries and such shares shall be subject to the provisions of Section 7(c) above.

SECTION 8. DEFERRED STOCK AWARDS

(a) Nature of Deferred Stock Awards. The Administrator shall determine the restrictions and conditions applicable to each Deferred Stock Award at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives. The grant of a Deferred Stock Award is contingent on the grantee executing the Deferred Stock Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees. Notwithstanding the foregoing, in the event that any such Deferred Stock Award granted to employees shall have a performance-based goal, the restriction period with respect to such Award shall not be less than one year, and in the event any such Deferred Stock Award granted to employees shall have a time-based restriction, the total restriction period with respect to such Award shall not be less than three years; provided, however, that any Deferred Stock Award with a time-based restriction may become vested incrementally over such three-year period. At the end of the deferral period, the Deferred Stock Award, to the extent vested, shall be settled in the form of shares of Stock. To the extent that a Deferred Stock Award is subject to Section 409A, it may contain such additional terms and conditions as the Administrator shall determine in its sole discretion in order for such Award to comply with the requirements of Section 409A.

(b) Election to Receive Deferred Stock Awards in Lieu of Compensation. The Administrator may, in its sole discretion, permit a grantee to elect to receive a portion of future cash compensation otherwise due to such grantee in the form of a Deferred Stock Award. Any such election shall be made in writing and shall be delivered to the Company no later than the date specified by the Administrator and in accordance with Section 409A and such other rules and procedures established by the Administrator. Any such future cash compensation that the grantee elects to defer shall be converted to a fixed number of phantom stock units based on the Fair Market Value of Stock on the date the compensation would otherwise have been paid to the grantee if such payment had not been deferred as provided herein. The Administrator shall have the sole right to determine whether and under what circumstances to permit such elections and to impose such limitations and other terms and conditions thereon as the Administrator deems appropriate.

(c) Rights as a Stockholder. A grantee shall have the rights as a stockholder only as to shares of Stock acquired by the grantee upon settlement of a Deferred Stock Award; provided, however, that the grantee may be credited with Dividend Equivalent Rights with respect to the phantom stock units underlying his Deferred Stock Award, subject to such terms and conditions as the Administrator may determine.

(d) Termination. Except as may otherwise be provided by the Administrator either in the Award Agreement or, subject to Section 18 below, in writing after the Award Agreement is issued, a grantee's right in all Deferred Stock Awards that have not vested shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 9. UNRESTRICTED STOCK AWARDS

Grant or Sale of Unrestricted Stock. The Administrator may, in its sole discretion, grant (or sell at par value or such higher purchase price determined by the Administrator) an Unrestricted Stock Award under the Plan. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

SECTION 10. CASH-BASED AWARDS

Grant of Cash-Based Awards. The Administrator may, in its sole discretion, grant Cash-Based Awards to any grantee in such number or amount and upon such terms, and subject to such conditions, as the Administrator shall determine at the time of grant. The Administrator shall determine the maximum duration of the Cash-Based Award, the amount of cash to which the Cash-Based Award pertains, the conditions upon which the Cash-Based Award shall become vested or payable, and such other provisions as the Administrator shall determine. Each Cash-Based Award shall specify a cash-denominated payment amount, formula or payment ranges as determined by the Administrator. Payment, if any, with respect to a Cash-Based Award shall be made in accordance with the terms of the Award and may be made in cash or in shares of Stock, as the Administrator determines.

SECTION 11. PERFORMANCE SHARE AWARDS

(a) Nature of Performance Share Awards. The Administrator may, in its sole discretion, grant Performance Share Awards independent of, or in connection with, the granting of any other Award under the Plan. The Administrator shall determine whether and to whom Performance Share Awards shall be granted, the Performance Goals, the periods during which performance is to be measured, and such other limitations and conditions as the Administrator shall determine.

(b) Rights as a Stockholder. A grantee receiving a Performance Share Award shall have the rights of a stockholder only as to shares actually received by the grantee under the Plan and not with respect to shares subject to the Award but not actually received by the grantee. A grantee shall be entitled to receive shares of Stock under a Performance Share Award only upon satisfaction of all conditions specified in the Performance Share Award agreement (or in a performance plan adopted by the Administrator).

(c) Termination. Except as may otherwise be provided by the Administrator either in the Award agreement or, subject to Section 18 below, in writing after the Award agreement is issued, a grantee's rights in all Performance Share Awards shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 12. PERFORMANCE-BASED AWARDS TO COVERED EMPLOYEES

(a) Performance-Based Awards. Any employee or other key person providing services to the Company and who is selected by the Administrator may be granted one or more Performance-Based Awards in the form of a Restricted Stock Award, Deferred Stock Award, Performance Share Awards or Cash-Based Award payable upon the attainment of Performance Goals that are established by the Administrator and relate to one or more of the Performance Criteria, in each case on a specified date or dates or over any period or periods determined by the Administrator. The Administrator shall define in an objective fashion the manner of calculating the Performance Criteria it selects to use for any Performance Period. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a division, business unit, or an individual. The Administrator, in its discretion, may adjust or modify the calculation of Performance Goals for such Performance Period in order to prevent the dilution or enlargement of the rights of an individual (i) in the event of, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development, (ii) in recognition of, or in anticipation of, any other unusual or nonrecurring events affecting the Company, or the financial statements of the Company, or (iii) in response to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions provided however, that the Administrator may not exercise such discretion in a manner that would increase the Performance-Based Award granted to a Covered Employee. Each Performance-Based Award shall comply with the provisions set forth below.

(b) Grant of Performance-Based Awards. With respect to each Performance-Based Award granted to a Covered Employee, the Administrator shall select, within the first 90 days of a Performance Cycle (or, if shorter, within the maximum period allowed under Section 162(m) of the Code) the Performance Criteria for such grant, and the Performance Goals with respect to each Performance Criterion (including a threshold level of performance below which no amount will become payable with respect to such Award). Each Performance-Based Award will specify the amount payable, or the formula for determining the amount payable, upon achievement of the various applicable performance targets. The Performance Criteria established by the Administrator may be (but need not be) different for each Performance Cycle and different Performance Goals may be applicable to Performance-Based Awards to different Covered Employees.

(c) Payment of Performance-Based Awards. Following the completion of a Performance Cycle, the Administrator shall meet to review and certify in writing whether, and to what extent, the Performance Goals for the Performance Cycle have been achieved and, if so, to also calculate and certify in writing the amount of the Performance-Based Awards earned for the Performance Cycle. The Administrator shall then determine the actual size of each Covered Employee's Performance-Based Award, and, in doing so, may reduce or eliminate the amount of the Performance-Based Award for a Covered Employee if, in its sole judgment, such reduction or elimination is appropriate.

(d) Maximum Award Payable. The maximum Performance-Based Award payable to any one Covered Employee under the Plan for a Performance Cycle is 3,000,000 Shares (subject to adjustment as provided in Section 3(b) hereof).

SECTION 13. DIVIDEND EQUIVALENT RIGHTS

(a) Dividend Equivalent Rights. A Dividend Equivalent Right may be granted hereunder to any grantee as a component of a Deferred Stock Award, Restricted Stock Award or Performance Share Award or as a freestanding award. The terms and conditions of Dividend Equivalent Rights shall be specified in the Award Agreement. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional shares of Stock, which may thereafter accrue additional equivalents. Any such reinvestment shall be at Fair Market Value on the date of reinvestment or such other price as may then apply under a dividend reinvestment plan sponsored by the Company, if any. Dividend Equivalent Rights may be settled in cash or shares of Stock or a combination thereof, in a single installment or installments. A Dividend Equivalent Right granted as a component of a Deferred Stock Award, Restricted Stock Award or Performance Share Award may provide that such Dividend Equivalent Right shall be settled upon settlement or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award. A Dividend Equivalent Right granted as a component of a Deferred Stock Award, Restricted Stock Award or Performance Share Award may also contain terms and conditions different from such other Award.

(b) Interest Equivalents. Any Award under this Plan that is settled in whole or in part in cash on a deferred basis may provide in the grant for interest equivalents to be credited with respect to such cash payment. Interest equivalents may be compounded and shall be paid upon such terms and conditions as may be specified by the grant.

(c) Termination. Except as may otherwise be provided by the Administrator either in the Award Agreement or, subject to Section 18 below, in writing after the Award Agreement is issued, a grantee's rights in all Dividend Equivalent Rights or interest equivalents granted as a component of a Deferred Stock Award, Restricted Stock Award or Performance Share Award that has not vested shall automatically terminate upon the grantee's termination of employment (or cessation of service relationship) with the Company and its Subsidiaries for any reason.

SECTION 14. TRANSFERABILITY OF AWARDS

(a) Transferability. Except as provided in Section 14(b) below, during a grantee's lifetime, his or her Awards shall be exercisable only by the grantee, or by the grantee's legal representative or guardian in the event of the grantee's incapacity. No Awards shall be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or by the laws of descent and distribution. No Awards shall be subject, in whole or in part, to attachment, execution, or levy of any kind, and any purported transfer in violation hereof shall be null and void.

(b) Administrator Action. Notwithstanding Section 14(a), the Administrator, in its discretion, may provide either in the Award Agreement regarding a given Award or by subsequent written approval that the grantee (who is an employee or director) may transfer his or her Awards (other than any Incentive Stock Options) to his or her immediate family members, to trusts for the benefit of such family members, or to partnerships in which such family members

13

are the only partners, provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award.

(c) Family Member. For purposes of Section 14(b), "family member" shall mean a grantee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the grantee's household (other than a tenant of the grantee), a trust in which these persons (or the grantee) have more than 50 percent of the beneficial interest, a foundation in which these persons (or the grantee) control the management of assets, and any other entity in which these persons (or the grantee) own more than 50 percent of the voting interests.

(d) Designation of Beneficiary. Each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award or receive any payment under any Award payable on or after the grantee's death. Any such designation shall be on a form provided for that purpose by the Administrator and shall not be effective until received by the Administrator. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee's estate.

SECTION 15. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Stock or other amounts received thereunder first becomes includable in the gross income of the grantee for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company's obligation to deliver evidence of book entry (or stock certificates) to any grantee is subject to and conditioned on tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. Subject to approval by the Administrator, a grantee may elect to have the Company's minimum required tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued pursuant to any Award a number of shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due.

SECTION 16. SECTION 409A AWARDS.

To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award"), the Award shall be subject to such additional rules and requirements as specified by the Administrator from time to time in order to comply with Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is then considered a "specified employee" (within the meaning of Section 409A), then no such

payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. Further, the settlement of any such Award may not be accelerated except to the extent permitted by Section 409A.

SECTION 17. TRANSFER, LEAVE OF ABSENCE, ETC.

For purposes of the Plan, the following events shall not be deemed a termination of employment:

- (a) a transfer to the employment of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another; or
- (b) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise so provides in writing.

SECTION 18. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Administrator may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall (a) adversely affect rights under any outstanding Award without the holder's consent or (b) except as provided in Section 3(b) or 3(c), without the prior approval of the Company's stockholders, reduce the exercise price of or otherwise reprice, including through replacement grants, any outstanding Stock Option or Stock Appreciation Right. To the extent required under the rules of any securities exchange or market system on which the Stock is listed, to the extent determined by the Administrator to be required by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code or to ensure that compensation earned under Awards qualifies as performance-based compensation under Section 162(m) of the Code, Plan amendments shall be subject to approval by the Company stockholders entitled to vote at a meeting of stockholders. Nothing in this Section 18 shall limit the Administrator's authority to take any action permitted pursuant to Section 3(c).

SECTION 19. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Administrator shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Administrator may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver Stock or make payments with respect to Awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

15

SECTION 20. CHANGE OF CONTROL PROVISIONS

Upon the occurrence of a Change of Control as defined in this Section 20:

- (a) Except as otherwise provided in the applicable Award agreement, each outstanding Stock Option, Stock Appreciation Right and Dividend Equivalent Right shall automatically become fully exercisable.
- (b) Except as otherwise provided in the applicable Award Agreement, conditions and restrictions on each outstanding Restricted Stock Award, Deferred Stock Award and Performance Share Award which relate solely to the passage of time and continued employment will be removed. Performance or other conditions (other than conditions and restrictions relating solely to the passage of time and continued employment) will continue to apply unless otherwise provided in the applicable Award Agreement.
- (c) "Change of Control" shall mean the occurrence of any one of the following events:
 - (i) any "Person," as such term is used in Sections 13(d) and 14(d) of the Act (other than the Company, any of its Subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any of its Subsidiaries), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Act) of such person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 25 percent or more of the combined voting power of the Company's then outstanding securities having the right to vote in an election of the Company's Board of Directors ("Voting Securities") (in such case other than as a result of an acquisition of securities directly from the Company); or
 - (ii) persons who, as of the Effective Date, constitute the Company's Board of Directors (the "Incumbent Directors") cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Board, provided that any person becoming a director of the Company subsequent to the Effective Date shall be considered an Incumbent Director if such person's election was approved by or such person was nominated for election by either (A) a vote of at least a majority of the Incumbent Directors or (B) a vote of at least a majority of the Incumbent Directors who are members of a nominating committee comprised, in the majority, of Incumbent Directors; but provided further, that any such person whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of members of the Board of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board, including by reason of agreement intended to avoid or settle any such actual or threatened contest or solicitation, shall not be considered an Incumbent Director; or
 - (iii) the consummation of (A) any consolidation or merger of the Company where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, shares representing in the aggregate more than

16

50 percent of the voting shares of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (B) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company; or

(iv) the shareholders of the Company shall approve any plan or proposal for the liquidation or dissolution of the Company.

Notwithstanding the foregoing, a “Change of Control” shall not be deemed to have occurred for purposes of the foregoing clause (i) solely as the result of an acquisition of securities by the Company which, by reducing the number of shares of Voting Securities outstanding, increases the proportionate number of shares of Voting Securities beneficially owned by any person to 25 percent or more of the combined voting power of all then outstanding Voting Securities; provided, however, that if any person referred to in this sentence shall thereafter become the beneficial owner of any additional shares of Voting Securities (other than pursuant to a stock split, stock dividend, or similar transaction or as a result of an acquisition of securities directly from the Company), then a “Change of Control” shall be deemed to have occurred for purposes of the foregoing clause (i).

SECTION 21. GENERAL PROVISIONS

(a) No Distribution. The Administrator may require each person acquiring Stock pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof.

(b) Delivery of Stock Certificates. Stock certificates to grantees under this Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee’s last known address on file with the Company. Uncertificated Stock shall be deemed delivered for all purposes when the Company or a Stock transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee’s last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic “book entry” records). Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing shares of Stock pursuant to the exercise of any Award, unless and until the Administrator has determined, with advice of counsel (to the extent the Administrator deems such advice necessary or advisable), that the issuance and delivery of such certificates is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the shares of Stock are listed, quoted or traded. All Stock certificates delivered pursuant to the Plan shall be subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with federal, state or foreign jurisdiction, securities or other laws, rules and quotation system on which the Stock is listed, quoted or traded. The Administrator may place legends on any Stock certificate to reference restrictions applicable to the Stock. In addition to the terms and conditions provided herein, the Administrator may require that an individual make such reasonable covenants, agreements, and representations as the Administrator, in its discretion, deems necessary or advisable in order to comply with any

17

such laws, regulations, or requirements. The Administrator shall have the right to require any individual to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Administrator.

(c) Stockholder Rights. Until Stock is deemed delivered in accordance with Section 21(b), no right to vote or receive dividends or any other rights of a stockholder will exist with respect to shares of Stock to be issued in connection with an Award, notwithstanding the exercise of a Stock Option or any other action by the grantee with respect to an Award.

(d) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Awards do not confer upon any employee any right to continued employment with the Company or any Subsidiary.

(e) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to such Company’s insider trading policy and procedures, as in effect from time to time.

(f) Forfeiture of Awards under Sarbanes-Oxley Act. If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, then any grantee who is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002 shall reimburse the Company for the amount of any Award received by such individual under the Plan during the 12-month period following the first public issuance or filing with the United States Securities and Exchange Commission, as the case may be, of the financial document embodying such financial reporting requirement.

SECTION 22. EFFECTIVE DATE OF PLAN

This Plan shall become effective upon approval by the holders of a majority of the votes cast at a meeting of stockholders at which a quorum is present. No grants of Stock Options and other Awards may be made hereunder after the tenth anniversary of the Effective Date and no grants of Incentive Stock Options may be made hereunder after the tenth anniversary of the date the Plan is approved by the Board.

SECTION 23. GOVERNING LAW

This Plan and all Awards and actions taken thereunder shall be governed by, and construed in accordance with, the laws of the State of Delaware, applied without regard to conflict of law principles.

18



**AVANT Immunotherapeutics, Inc. and Celldex Therapeutics
Schedule Joint Teleconference for Monday, October 22, 2007 at 9:00 AM EDT**

Needham, MA and Phillipsburg, NJ, October 22, 2007—AVANT Immunotherapeutics, Inc. (NASDAQ: AVAN) and Celldex Therapeutics, Inc., a privately-held company, announced today that they will hold a joint teleconference on Monday, October 22 at 9:00 AM EDT to discuss the proposed merger agreement announced earlier this morning in a joint press release.

Conference Call Information

The conference call may be accessed by visiting www.avantimmune.com or www.celldextherapeutics.com. The webcast and telephonic replay will be available following the filing of the conference call transcript with the SEC.

Callers may also access the call with the following dial-in information:

Domestic phone number: 1-888-396-2384	Passcode: 20038122
International phone number: 1-617-847-8711	Passcode: 20038122

Callers may access the replay with the following dial-in information:

Domestic phone number: 1-888-286-8010	Passcode: 66818661
International phone number: 1-617-801-6888	Passcode: 66818661

About AVANT Immunotherapeutics, Inc.:

AVANT Immunotherapeutics, Inc. is a Massachusetts-based NASDAQ-listed company discovering and developing innovative vaccines and therapeutics that harness the human immune system to prevent and treat disease. AVANT's innovative bacterial vector delivery technologies with unique manufacturing and preservation processes offer the potential for a new generation of vaccines. AVANT has three commercialized products, including Rotarix[®] for the treatment of rotavirus and two human food safety vaccines for reducing salmonella infection in chickens and eggs. AVANT also has four product candidates in its development pipeline, an anti-inflammatory agent, TP10, and

1

three candidates based on its oral, rapidly-protecting, single-dose and temperature-stable vaccine technology, including combination vaccines for travelers, the military and global health needs.

About Celldex Therapeutics, Inc.:

Celldex Therapeutics, Inc. is an innovative, privately-held New Jersey-based biopharmaceutical company—spun-out of Medarex, Inc. (NASDAQ: MEDX)—developing targeted immunotherapeutics for the treatment of cancer, infectious and inflammatory diseases. Celldex focuses on the use of tumor-specific targets and human monoclonal antibodies (mAbs) to precisely deliver therapeutic agents through its novel 'targeted immunization' approach. Celldex's deep product pipeline consists of products in varying stages of development, with its lead candidate currently undergoing evaluation in a Phase 2/3 clinical trial in newly diagnosed glioblastoma multiforme, one of the most aggressive forms of brain cancer. Celldex is also running clinical trials for several products based on its proprietary APC Targeting Technology[™], which delivers fully human monoclonal antibodies directly to patients to target and stimulate dendritic cells and macrophages—key cells within the immune system.

Additional Information about the Merger and Where to Find It

This communication contains "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are typically preceded by words such as "believes," "expects," "anticipates," "intends," "will," "may," "should," or similar expressions. These forward-looking statements are subject to risks and uncertainties that may cause actual future experience and results to differ materially from those discussed in these forward-looking statements. Important factors that might cause such a difference include, but are not limited to, costs related to the Merger, failure of AVANT's stockholders to approve the Merger; AVANT's or Celldex's inability to satisfy the conditions of the Merger; AVANT's inability to maintain its NASDAQ listing; the risk that AVANT's and Celldex's businesses will not be integrated successfully; the combined company's inability to further identify, develop and achieve commercial success for new products and technologies; the possibility of delays in the research and development necessary to select drug development candidates and delays in clinical trials; the risk that clinical trials may not result in marketable products; the risk that the combined company may be unable to successfully secure regulatory approval of and market its drug candidates; the risks associated with reliance on

2

outside financing to meet capital requirements; risks associated with Celldex's new and uncertain technology; risks of the development of competing technologies; risks related to the combined company's ability to protect its proprietary technologies; risks related to patent-infringement claims; risks of new, changing and competitive technologies and regulations in the U.S. and internationally; and other events and factors disclosed previously and from time to time in AVANT's filings with the Securities and Exchange Commission, including AVANT's Annual Report on Form 10-K for the year ended December 31,

2006. The companies do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

This communication may be deemed to be solicitation material in respect of the proposed merger of AVANT and Celldex. In connection with the proposed merger, AVANT and Celldex intend to file relevant materials with the SEC, including AVANT's joint registration statement/proxy statement on Form S-4. **SHAREHOLDERS OF AVANT ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING AVANT'S PROXY STATEMENT, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.** Investors and security holders will be able to obtain the documents free of charge at the SEC's web site, <http://www.sec.gov>, and AVANT shareholders will receive information at an appropriate time on how to obtain transaction-related documents for free from AVANT. Such documents are not currently available.

Participants in the Solicitation

The directors and executive officers of AVANT and Celldex may be deemed to be participants in the solicitation of proxies from the holders of AVANT common stock in respect of the proposed transaction. Information about the directors and executive officers of AVANT is set forth in the proxy statement for AVANT's most recent 10-K, which was filed with the SEC on March 16, 2007. Investors may obtain additional information regarding the interest of AVANT and its directors and executive officers, and Celldex and its directors and executive officers in the proposed transaction by reading the proxy statement regarding the acquisition when it becomes available.

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