

PURCHASE ORDER TERMS AND CONDITIONS

ADVANCED BIOSCIENCE LABORATORIES, INC. TERMS AND CONDITIONS

1. **DEFINITIONS:** As used in this Order, terms shall be defined as: (a) 'Order' and 'PO' mean collectively the provisions contained in the body of this Order, these Terms and Conditions, and all documents and papers referenced or described thereon or attached thereto; (b) 'Buyer' means Advanced BioScience Laboratories, Inc. with its procurement office at 9800 Medical Center Dr. Building D Rockville, MD 20850; (c) 'Seller' means the addressee of this Order; (d) 'Supplies' means the materials, articles, services, or other items ordered by this Order.
2. **GENERAL REQUIREMENTS:** Seller shall provide all labor, materials, services and equipment and perform all work necessary to furnish the supplies specified in this Order. Prices stated in this Order are inclusive of any and all taxes and other governmental charges, now imposed or hereafter becoming effective for the materials and/or services in this Order. Seller agrees to reimburse Buyer for any expenditure Buyer may be required to make on account of Seller's failure to pay such taxes and other governmental charges.
3. **ORDER OF PRECEDENCE:** Acceptance of this Order is expressly limited to the terms hereof. This Order constitutes the entire contract, and no changes are binding on Buyer unless they are agreed to in writing and signed by an authorized representative of the Buyer. Except as otherwise expressly provided, any inconsistency will be resolved in the following descending order of precedence: (1) special provisions of this Order, (2) the body of the Order, and (3) these Terms and Conditions. In the event there are any conflicting agreements entered into between Buyer and Seller, this Order shall take precedence unless otherwise addressed.
4. **PACKING AND SHIPPING:** All articles shall be suitably packed or otherwise prepared for shipment, so as to secure the lowest transportation rates and to meet carrier's requirements. No charges will be allowed for packing, crating or cartage, unless stated in this Order. Each container must be marked to show quantity, Order number, contents, and shipper's name. A complete packing sheet shall be included in each package. Unless otherwise specified in this Order, the price includes shipping charges for materials sold F.O.B. destination.
5. **INSPECTION AND REJECTION:** Seller shall inspect all materials prior to shipment to Buyer. Supplies that fail to pass Buyer's incoming test or inspection may be rejected by Buyer and returned to Seller at Seller's expense for credit, rebate of paid purchase price, or replacement at Buyer's option. No inspection, test, or acceptance shall relieve Seller from responsibility for defects or other failures to meet the requirements of this Order. Payment before inspection shall not be deemed acceptance of nonconforming materials. For services, Seller shall tender only those services for acceptance that conform to this Order. If Buyer determines that services are non-conforming to this

Order's requirements within one year from date of acceptance by Buyer, Buyer may, at its option, either require correction or re-performance of services at no additional charge to Buyer, or Buyer may correct or re-perform services and charge Seller for any cost to Buyer.

6. DELIVERY: Time is of the essence of this Order and Buyer may reject goods and services not delivered or furnished on dates herein specified. Unless otherwise expressly provided, delivery shall be made to the 'Ship To' address shown on the face of this Order. Without waiver of Buyer's rights, Seller shall notify Buyer promptly of any cause delaying or threatening to delay performance, including labor disputes. Failure of Buyer to take shipments hereunder, if occasioned by fire, explosion, flood, war, accident, delay in transportation, or any other circumstance of like or different character beyond Buyer's reasonable control, or if occasioned by partial or complete suspension of operations at any of Buyer's plants, shall not subject Buyer to any liability to Seller because thereof, but, at Buyer's option, the total quantity covered by this Order may be reduced by the extent of omitted shipments or the specified delivery period extended by a time equal to that during which shipments shall be so omitted and such shipments made during the period of extension.
7. TERMINATION OR CANCELLATION: Buyer may terminate or cancel work under this Order in whole or in part, by written or telephonic notice. If Buyer terminates this Order for convenience, Seller will immediately stop work. The total of all payments under the Order shall in no event exceed the price stated. Seller will take reasonable steps to mitigate damages and to avoid costs. In no event will Seller be paid anticipatory profits. In determination of appropriate compensation, Seller agrees to provide support cost data as requested by Buyer. If Buyer terminates this Order for Seller's default, Buyer shall not be liable to Seller for any supplies or services not delivered or accepted, and Seller shall be liable to Buyer for any and all rights and remedies provided by law. Seller shall be liable for default unless non-performance is caused by an occurrence beyond the reasonable control of Seller and without its fault or negligence, such as Acts of God or the public enemy, fires, floods, epidemics, and the like.
8. PATENTS AND COPYRIGHTS: Seller will exonerate, indemnify and hold harmless Buyer from and against any and all liability, loss, damage, cost or expense which may accrue to or be sustained by Buyer on account of any claim, suit or action made or threatened to be brought against Buyer or its customers for actual or alleged infringement of any patent, copyright, or other proprietary rights and will at its own expense defend any action, suit, or claim in which such infringement is alleged. Buyer shall notify Seller of any such suits against Buyer.
9. INDEMNIFICATION: Seller shall indemnify and hold harmless Buyer against any and all liability, claims, and costs of whatever kind and nature for injury or death of any person or persons occurring in connection with or in any way incident to or arising out of the occupancy, use, service, operations, or performance of work under the terms of this Order,

resulting in whole or in part from Seller's negligent acts or omissions or those of any of Seller's employees, agents, or representatives. Nothing heretofore shall preclude Buyer from receiving the benefits of any insurance Seller may carry. Seller shall do nothing to prejudice Buyer's right to recover against third parties for any losses hereunder. Seller shall furnish to Buyer all reasonable assistance and cooperation, including assistance in the prosecution of suit and execution of instruments or assignments in favor of Buyer in obtaining recovery.

10. **LAWS AND REGULATIONS:** Seller warrants that all goods or services delivered pursuant to this Order will have been produced, sold and delivered to Buyer in compliance with all applicable Federal, State, and Municipal laws and regulations; and Seller particularly warrants and guarantees to Buyer that no food, drug or cosmetic bearing the name or authentic label of Seller shall, at the time of shipment or delivery, be adulterated or misbranded within the meaning of the Federal Food, Drug and Cosmetic Act, as amended. Seller acts as an independent contractor and not as Buyer's agent or employee in providing the materials and/or services of this Order. Seller assumes all obligations under fair labor standards, social security legislation, equal employment opportunity, affirmative action for disabled and Vietnam veterans, subcontracting with small businesses and businesses in the FAR-covered socioeconomic classifications including Vietnam Era veterans, and affirmative action rules and regulations relative to of the United States or of any State or other governmental authority with respect to persons employed in the performance of services and/or production of materials under this Order and will indemnify Buyer against any liability or responsibility therefore.
11. **PAYMENT/INVOICES:** Invoices shall be submitted no more frequently than once per month. Invoices shall be due and payable net forty-five (45) days after receipt of an acceptable invoice, or as stated in the body of the Order. Any discounts allowed are contingent upon payment within the allowable discount period. Buyer's technical, procurement, and financial representatives will determine invoice acceptability. Invoices shall contain at least the following information: i) Seller's name and business address, ii) invoice number, iii) date of invoice, iv) period covered by invoice, v) this Order number, vi) description, unit price, and total cost of supplies or materials being invoiced which are referenced to this Order's specific line item numbers, vii) if this Order is for services, total number of hours worked by labor classification or person, rates per hour, and total labor charges being invoiced, viii) charges for authorized travel must be separately described for each trip taken and must be in accordance with the Federal Joint Travel Regulations, ix) name and telephone number of Seller's contact person for invoice questions, x) Seller's signature and date with this statement: "By my signature, I certify that documentation on file with (Seller's company name) supports the charges included in this invoice and that to the best of my knowledge, all charges are accurate, allowable and allocable to this Purchase Order.", xi) invoices are to be mailed to the address shown on the face of the Order.

12. ALLOWABLE CHARGES: Buyer shall not be liable to compensate Seller (or Seller's personnel) for the following unless otherwise specifically agreed to by this Order: i) daily commuting expenses to and from the place of performance specified in this Order, ii) travel expenses not authorized, iii) travel expenses in excess of the Federal Joint Travel Regulations, iv) incidental expenses, v) charges incurred prior to or after this Order's period of performance, vi) if this Order is for services, labor hours billed in excess of the hourly labor rates specified, hours spent for time in travel, overtime hours approved by Buyer in advance, or sick, holiday, or vacation hours.
13. WARRANTIES: In addition to and without prejudice to all other warranties, both express and implied, and for a period of one year after acceptance by Buyer, Seller warrants that the materials furnished hereunder will be (a) free from defects in workmanship and material, (b) free from defects in design except to the extent such supplies comply with detailed designs provided by Buyer, (c) suitable for the purposes intended, (d) in compliance with all requirements of this Order and all applicable drawings, specifications, samples, representations, (e) delivered free of the rightful claim of any third person by way of infringement or the like, and (f) delivered free from any security interest or other lien or encumbrance. Warranties of Seller together with its service warranties and guarantees, if any, furnished to Buyer are fully transferable to Buyer's customer, as appropriate. If this Order is for services, Seller warrants that services will be provided by persons who are experienced and skilled in their professions, in accordance with industry standards, and in accordance with the requirements of this Order.
14. CHANGES: Buyer may change this Order in writing at any time without prior notice. If any such change causes an increase or decrease in cost or time required for performance of the work, the price and/or delivery schedule shall be equitably adjusted and the Order so modified in writing. Seller shall submit any claim for adjustment to Buyer in writing within 15 days from the date of Seller's receipt of the change order. Acceptance of final payment constitutes waiver of all claims for changes.
15. ASSIGNABILITY: This Order in its entirety and each and every provision hereof shall inure to the benefit of the customers, successors and assigns of Buyer. Seller may not assign this Order without Buyer's written consent.
16. WAIVERS: Any failure by Buyer to enforce or require strict performance by Seller of any terms or conditions of this Order shall not constitute a waiver thereof by Buyer or Buyer may at any time avail itself of the remedies Buyer may have for any breach of the terms hereof.
17. APPLICABLE LAW: Seller agrees to comply with all applicable Federal, State, and local laws, rules and regulations. The Laws of the State of Delaware shall govern this Order.