

## Covance Research Products Inc. Terms and Conditions of Sale for Animals

All sales of animals by Covance are subject to these Terms and Conditions of Sale unless otherwise agreed in writing.

1. **Price** Prices are subject to change without notice, unless otherwise agreed in writing between Buyer and Covance. Price does not include (i) taxes, duties, excises or other charges imposed by law or (ii) shipping charges.

2. **Payment** All invoices are due and payable in full within 30 days of receipt. Any invoice not paid within 30 days of receipt shall be subject to an interest charge at the rate of the lower of 1.5% per month or the highest rate permitted by applicable law. Institutional procurement cards (AMEX, MasterCard, VISA) are accepted as a method for establishing payment terms on a preapproval basis.

3. **Cancellation Terms; Surgically Modified Animals** Primates - If a cancellation notice is received less than thirty days prior to agreed shipment date, Buyer shall pay for all pre-shipment processes costs incurred by Covance prior to receipt of the notice. If indoor housing is required for animals after cancellation, Buyer shall pay the indoor housing costs until the animals can be placed in outdoor housing. Covance shall make commercially reasonable efforts to minimize such costs and will notify Buyer of costs incurred as promptly as practical.

Special Orders - Animals which are specially imported or which do not conform to Covance standard specifications as requested by Buyer shall be subject to alternate cancellation terms to be agreed by Covance and Buyer. Such alternate terms shall be included in a Special Order.

Canines - No charge shall apply for orders cancelled prior to shipping. If any special testing is done on canines, Buyer shall pay the testing cost.

Rabbits - No charge shall apply for orders cancelled within 48 hours prior to shipping. For Timed Mated Rabbits cancelled post breeding, Buyer shall pay fifty percent of list price.

Client shall pay the full contract price for surgically modified animals once surgery is completed even if the modified animal removes or damages a surgical modification after surgery but before, during or after shipment. If Client requires a minimum quantity of animals, it should order a surplus to offset any potential destruction caused by animal behavior. Client should contact Covance for applicable advance order times required for each animal model. Covance warrants that at the time of shipment all surgically modified animals meet the specifications of the Statement of Work or Order Form accepted by Covance except any defect caused by animal behavior. Client waives any rights with respect to such warranty unless it contacts Covance's Customer Service Team promptly upon receipt of animals.

After acceptance by Covance of a Statement of Work or Order Form for surgically modified animals, the cancellation fees listed below apply unless the Statement of Work or Order Form states that such fees do not apply. Cancellation fees are based on the costs incurred in preparing for surgery, including obtaining animals and supplies, and preparing animals for surgery.

Fees are: if cancellation notice is received on the day surgery is scheduled to be done, the full contract price shall apply; if cancellation notice is received less than fourteen (14) days before surgery is scheduled, the cost for the animals plus care and maintenance costs for such animals shall apply; and, once supplies have been ordered, Client shall pay for all costs for supplies unless the supplier agrees not to charge Covance. Covance will make a good faith effort to minimize such costs.

4. **Warranty** Covance warrants that at the time of shipment, all animals shall conform to Covance's specifications in effect at such time. Any claim by Buyer regarding a failure to meet such specifications must be made, in the case of canines or rabbits, within three (3) days of receipt of animals. **Covance makes no other express or implied warranty, including any implied warranty of merchantability or fitness for a particular purpose.**

5. **Use; Non Breeding** Animals are sold exclusively for Buyer's internal research purposes. No express or implied right to generate, breed, cross bred or reproduce animals sold hereunder is granted to Buyer. In consideration of Covance's valuable proprietary rights in the genetic composition responsible for the unique genetic characteristics of animals sold hereunder and as a material condition hereof, Buyer agrees not to (i) directly or indirectly generate, breed, cross bred or reproduce animals purchased hereunder, or (ii) directly or indirectly sell, transfer or license to any third party the animals purchased hereunder.

6. **Limitation of Liability** **Covance's liability in connection with the sale of any animal shall be limited to either replacement of the animal or refund of the purchase price.** In no event shall Covance's liability in connection with any sale exceed the price paid for the animal in issue. **IN NO EVENT SHALL COVANCE BE RESPONSIBLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL, OR CONSEQUENTIAL LOSSES OR DAMAGES ARISING, INCLUDING DAMAGES FOR LOST PROFITS, IN CONNECTION WITH THE SALE OF ANIMALS OR ANY DEFAULT OR BREACH RELATING TO SUCH SALE.** The foregoing limitations shall apply whether a claim arises from breach of contract, breach of warranty, tort, negligence, strict liability or other legal basis. Buyer shall be responsible, liable, and indemnify Covance, for all claims, injuries, losses, or damages resulting from Buyer's use of the animals, including the harmful or otherwise unsafe effect of any product resulting from research involving the animals.

7. **Conditions of Sale** All sales and/or purchases of animals are (a) governed by these Terms and Conditions of Sale, and (b) made expressly conditioned upon Buyer's acceptance of these Terms and Conditions. Any and all terms and conditions (including any which may be delivered by Buyer with any purchase order) which are different than, or inconsistent with or supplemental to these Terms and Conditions are rejected unless otherwise expressly agreed to by Covance in writing. No modification of these Terms and Conditions shall be binding or enforceable unless expressly agreed to by Covance in writing.

8. **Governing Law** All sales and/or purchases of animals sold by Covance shall be governed by the laws of the state of Delaware without regard to its otherwise applicable conflicts of laws rules.