1. Definitions and Interpretation.

1.1 Definitions. All capitalized terms used in this Agreement and defined below or in the context in which they are used will have the meanings given to them herein. All other terms used in this Agreement will have their plain English meaning as commonly interpreted in the United States.

(a) "Background Rights" means with respect to a party, all Intellectual Property (i) owned, licensed, or controlled by the party as of the Effective Date, (ii) acquired, developed, created, licensed outside of this Agreement at any time, and (iii) any Improvements Made to, on, or of either (i) or (ii) by either party either acting alone or jointly with the other party or any third party.

(b) "Deliverables" means the deliverables Made by Supplier in performing its research and development services as described in an Order, and provided to Customer under this Agreement, including all Intellectual Property therein and related thereto, but excluding all Supplier Background Rights except as expressly set forth in this Agreement or any Order.

(c) "Improvements" means all modifications, revisions, enhancements, improvements, updates, upgrades, new versions, adaptations, or derivatives (including derivative works).

(d) "Intellectual Property" means all intellectual property and proprietary rights thereto throughout the world, including, without limitation, all copyrights, trademarks, service marks, trade secrets, patents (and patent applications), moral rights, contract rights and any and all other legal rights protecting intangible proprietary information, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world, and all tangible embodiments of the foregoing, including, without limitation, all research, content, software, algorithms, methodologies, methods, techniques, concepts, systems, procedures, Know-how, data, results, ideas, discoveries, inventions, reports and works of authorship, whether or not patentable, subject to trademark, or subject to copyright, and all intellectual property rights in same, including but not limited to all patents and patent applications covering same.

(e) "Know-how" means all unpatented, technical and other information which is not in the public domain including information comprising or relating to concepts, inventions, ideas, discoveries, data, formulae, research models, specifications, Materials (including information as to biological or chemical structure or functions), methods, research plans, procedures for experiments and tests and results of experimentation and testing.

(f) "Made" means made, authored, created, derived, developed, written, invented, conceived, or reduced to practice.
(g) “Material(s)” means compounds, fragments, proteins, biologic reagents, substances, solutions and any other chemical or biological substance and any fragments, derivatives or progeny thereof and any Know-how associated with any such items.

(h) “Products” means the products set out in the Order, to be manufactured and supplied by the Supplier and provided to the Customer pursuant to this Agreement.

(i) “Specification” means the description or specification of the Product agreed to by the parties and attached to the applicable Order.

1.2 Interpretation. In interpreting and construing this Agreement, unless expressly stated herein to the contrary or the context requires otherwise: (a) all captions, headings and similar terms are for convenience of reference only; (b) “herein,” “hereof,” “hereunder,” “hereby” and similar terms refer to this Agreement as a whole; (c) “including,” “include,” “includes” and variations thereof will be construed as if followed by the phrase “without limitation”; (d) “or” and “any” have the inclusive meaning represented by the phrases “or” and “any or all”, respectively; (e) “day” means “calendar day”, “business day” means any day except Saturday, Sunday or a U.S. national holiday, and when calculating a period of time, the day that is the initial reference day in calculating the period will be excluded; (f) “law” means any foreign, federal, state or local law (including common law), statute, standard, code, ordinance, rule, regulation, promulgation or any order by any governmental authority; (g) “governmental authority” means any government or governmental or regulatory body thereof, or political subdivision thereof, whether federal, state, local or foreign, or any agency, instrumentality or authority thereof, or any court or arbitrator (public or private); (h) “person” means any individual, sole proprietorship, partnership, corporation, joint venture, limited liability company, estate, trust, unincorporated organization, association or other entity or governmental authority; (i) “affiliate” means any person controlled by, controlling or under common control with any other person; (j) “control” means the direct or indirect beneficial ownership of at least fifty (50%) percent of the voting stock of, or at least a fifty (50%) percent interest in the income of, a person, or the power to elect at least fifty (50%) percent of the directors or trustees of such person, or such other relationship which in fact constitutes actual control, and (k) reference to writing or written includes fax and email.

2. Manufacturing and Supply of Products.

2.1 Manufacture.

(a) The Supplier shall manufacture all Products as set forth in the applicable Order.

(b) The Supplier represents and warrants that all Products it manufacturers under to this Agreement shall conform with the Specifications and applicable law upon Delivery to Customer.

(c) The Supplier reserves the right to amend the Specifications if necessary to comply with any applicable law, or if the amendment will not materially affect the nature or quality of the Products, and the Supplier shall notify the Customer in any such event.
2.2 Packaging and Shipment.

(a) The Supplier will label and package the Products under its standard process for packaging and labelling. If the Customer requires bespoke packaging or labelling which differs from the Supplier’s standard packaging and labels, any additional costs relating to the procurement and application of the packaging and labelling will be agreed by the parties and paid by the Customer in addition to the Fees for the manufacture and supply of Products.

(b) The Supplier shall use commercially reasonable efforts to meet any dates and times for Delivery stated in the Order or otherwise agreed by the parties, but any such dates shall be estimates only and time shall not be of the essence for performance of this Agreement.

2.3 Delivery.

(a) Unless otherwise agreed in writing by the parties, Supplier shall deliver the Products to the address specified in the Order (“Delivery Location”) within a reasonable time after receipt of Customer’s Order for such Products.

(b) Delivery shall be deemed complete when the Products are available to Customer at the Delivery Location (“Delivery”) and, unless otherwise agreed in writing by the parties, Customer shall take receipt of the Products upon Delivery and shall be responsible for all loading costs and provide equipment and labor reasonably suited for receipt of the Products at the Delivery Location.

(c) The Supplier may Deliver Orders by instalments, which may be invoiced and paid for separately. References in this agreement to Orders shall, where applicable, be read as references to instalments.

(d) Delays in Delivery shall not entitle the Customer to: (a) refuse to take Delivery of the Products; (b) claim damages; or (c) terminate this Agreement. The Supplier shall have no liability for any failure or delay in Delivering the Products to the extent that such failure or delay is caused by the Customer’s failure to comply with its obligations under this Agreement.

(e) If for any reason the Customer fails to take receipt of the Products on the date fixed or if Supplier is unable to complete Delivery on such date because Customer has not provided appropriate instructions, documents, licenses or authorizations: (i) risk of loss to the Products shall pass to Customer; (ii) the Products shall be deemed to have been Delivered; and (iii) the Supplier may, at its option, store the applicable Products until Customer is available to receive them, and charge the Customer for all related costs and expenses (including storage and insurance).

2.4 Title and Risk of Loss.

(a) Risk in Products shall pass to the Customer on Delivery.

(b) Title to Products shall not pass to the Customer until the Supplier receives payment in full (in cash or cleared funds) for such Products.
(c) Until title to Products has passed to the Customer, the Customer shall maintain such Products in satisfactory condition and keep them insured on the Supplier’s behalf for their full price against all risks with an insurer that is reasonably acceptable to the Supplier.

2.5 Acceptance and Nonconforming Products.

(a) Customer shall inspect the Products within 5 days of Delivery (“Inspection Period”). Customer will be deemed to have accepted the Products unless it notifies Supplier in writing of any Nonconforming Products during the Inspection Period and furnishes such written evidence or other documentation as required by Seller. “Nonconforming Products” means Products that do not comply with Clause 2.1(a).

(b) The Supplier shall not be liable for any Product failing to comply with Clause 2.1(a) in any of the following events:

(i) the Customer makes any further use of such Products after giving notice that they are Nonconforming Products;

(ii) the nonconformity arises because the Customer failed to follow the Supplier’s instructions as to the storage, commissioning, installation, use and maintenance of the Products or (if there are none) good trade practice regarding the same;

(iii) the nonconformity arises as a result of the Supplier following the Customer’s directions;

(iv) the Customer alters the Products without the written consent of the Supplier;

(v) the nonconformity arises as a result of fair wear and tear, willful damage, negligence, or abnormal storage or working conditions; or

(vi) the Products differ from the Specification as a result of changes made to ensure they comply with applicable law.

2.6 The Customer’s exclusive remedy and the Supplier’s sole liability with respect to any Nonconforming Products shall be for Supplier to, at its option: (a) replace the rejected Products; or (b) refund any Fees paid for the Nonconforming Products in full.

2.7 The terms of this Agreement shall apply to any replacement Products supplied by the Supplier.


3.1 The Supplier shall perform research and development services (“R&D Services”) as set forth in Orders and provide any deliverables resulting from those services or otherwise set forth in the Order (“Deliverables”).

3.2 The Supplier represents and warrants that it will perform all R&D Services under this Agreement in a good and workmanlike manner consistent with industry standards.
4. **Intellectual Property Ownership and Rights.**

4.1 **Background Rights.**

(a) Each party shall retain sole and exclusive ownership of all of its Background Rights and nothing in this Agreement shall operate to transfer any Background Rights to the other party.

(b) Customer grants to Supplier a fully paid-up, worldwide, non-exclusive, royalty free, sublicensable, license to use, copy and modify any Customer Background Rights solely as necessary for Supplier’s performance of the Services.

(c) Nothing in this Agreement is intended to grant or create any right or license to either party with respect to any Background Rights of the other party, except expressly provided herein.

4.2 **Products.**

(a) All Intellectual Property in or arising out of or in connection with the manufacture and supply of Products (other than Customer Background Rights) shall be owned by the Supplier.

(b) Supplier hereby grants to Customer a fully paid-up, worldwide, non-exclusive, royalty free, non-transferrable, non-sublicensable license to use any Supplier Background Rights incorporated in the Products solely as necessary to use or operate such Products.

4.3 **Deliverables.**

(a) All Deliverables will be owned exclusively by Customer and Customer shall solely own any and all Intellectual Property covering such Deliverables, except for Supplier Background Rights and as agreed within each Order. Such ownership shall, and hereby does, inure to the benefit of Customer from the date of the conception, creation, reduction to practice or fixation in a tangible medium of expression of such Deliverables, as the case may be.

(b) In consideration for the Fees to be paid by Customer to Supplier under the Order, and limited to the scope and term of the Order, Supplier hereby grants to Customer, in the case of Supplier Background Rights, or, in the case of third party Supplier Background Rights to the extent a third party has granted Supplier similar rights, a royalty-free, fully paid-up, perpetual, irrevocable, world-wide, non-exclusive, sublicensable, assignable right and license to use, disclose, reproduce, modify, prepare derivative works, publicly perform and display, transmit, and distribute, make, have made, import and otherwise make use of such Supplier Background Rights as needed for the use of the specifically contracted Deliverables. Such rights shall extend to Purchaser’s present and future affiliates, successors and assigns.

5. **Customer Obligations.**

5.1 The Customer shall:

(a) ensure that the Specifications are current, complete, accurate and comply with applicable laws;
(b) co-operate with the Supplier in all matters relating to the Services;

(c) provide the Supplier with such information and Materials as the Supplier may reasonably require in order to perform the Services, and ensure that such information is current, complete and accurate;

(d) keep all Materials, Products, equipment, documents and other property of the Supplier ("Supplier Materials") at the Customer’s premises in safe custody and, at its own risk, maintain such Supplier Materials in good condition until title is transferred or the Supplier Materials are returned to the Supplier and not dispose of or use the Supplier Materials other than in accordance with the Supplier’s written instructions or authorisation;

(e) comply with any additional obligations as set out in the Order or Specifications; and

(f) provide the Supplier with a complete and accurate safety data sheet in respect of the Products to enable the Supplier to create Products, packaging and labels and Deliver the Products safely and in accordance with all applicable laws (including transport regulations) and other instruments relating to the manufacture, packing, labelling, packaging, marking, storage, handling, and Delivery of the Products.

5.2 If the Supplier’s performance of any of its obligations under this Agreement is prevented or delayed by the Customer’s acts or omissions or the Customer’s failure to perform its obligations hereunder ("Customer Default") then:

(a) without limiting or affecting any other right or remedy available to it, the Supplier may suspend the Services until the Customer remedies the Customer Default and shall be relieved from performance of any of its obligations hereunder to the extent prevented or delayed due to the Customer Default;

(b) the Supplier shall not be liable for any costs or losses sustained or incurred by the Customer arising directly or indirectly from the Supplier’s failure or delay to perform any of its obligations as set out in this Clause 5.2; and

(c) the Customer shall reimburse the Supplier on written demand for any costs or losses sustained or incurred by the Supplier arising directly or indirectly from the Customer Default.

6. Confidentiality.

Each party ("Recipient") may receive Confidential Information from the other party ("Discloser") during the Term of this Agreement. Each Recipient agrees to protect from disclosure such Confidential Information with the same degree of care that it affords its own confidential information, but in no event with less than reasonable care. For purposes of this Agreement, “Confidential Information” means all information regarding a party’s business or affairs, including information relating to a party’s operations, processes, plans, product information, Know-how, designs, trade secrets, market opportunities and customers, Background Rights, financial information, data (including software code), business concepts, business strategy, processes, methods, systems, devices, formulas, product specifications, and Materials, whether in oral, written, or electronic form, that is either: (a) designated as
confidential; (b) of a nature such that a reasonable person would recognize it as confidential; or
(c) disclosed under circumstances such that a reasonable person would know it is confidential.
The terms and conditions of this Agreement shall constitute the Confidential Information of
each of the parties. The following information will not be considered Confidential Information:
(i) information that is publicly available through no fault of the party that was obligated to keep
it confidential; (ii) information that was known by a party prior to commencement of
discussions regarding the subject matter of this Agreement; (iii) information that was
independently developed by a party; and (iv) information rightfully disclosed to a party by a
third party without continuing restrictions on its use or disclosure. Each Recipient may disclose
the Confidential Information: (x) solely to the extent necessary

7. **Fees and Payment.**

7.1 The Customer shall pay the Supplier all fees and other charges set forth in each
Order (“Fees”) and reimburse the Supplier for any expenses required to perform the Services,
including freight, packaging, and insurance, and for the cost of any Materials as set out in the
Order (collectively “Expenses”). All Fees and Expenses will be non-refundable once paid to the
Supplier (including upon any termination or suspension of this Agreement).

7.2 The Supplier shall invoice, and the Customer shall pay, all Fees and Expenses:

(a) within 30 days of the date of the invoice or as otherwise agreed in the
Order; and

(b) in full and in cleared funds to a bank account nominated in writing by the
Supplier, and time for payment shall be of the essence.

7.3 The Fees do not include any taxes, levies, duties or similar governmental
assessments of any nature (collectively, “Tax”). Customer shall pay all Tax associated with its
purchases hereunder, excluding taxes on Supplier’s net income.

7.4 Customer may not offset any amounts due to Supplier hereunder against
amounts due to Customer. Fees and Expenses not paid on or before the applicable due date
will accrue a late fee at a rate of 1.5% per month (or the maximum rate permitted by law).
Customer shall be liable to Supplier for attorneys’ fees and all other reasonable costs associated
with collecting such Fees and Expenses.

7.5 All Fees and Expenses payable to the Supplier by the Customer shall become
immediately due and payable (a) on termination of this Agreement for any reason; or (b) if the
Customer becomes subject to any of the events listed in Clause 10.1(b). This Clause is without
prejudice to any right to claim for interest under the law or under this agreement.
8. **Representations and Warranties.**

8.1 **Mutual Warranties.** Each party represents, warrants, and covenants that: (a) it has and will have the legal right and authority to enter into this Agreement and grant the rights provided herein; (b) this Agreement will be enforceable against it; and (c) the entry into and performance of this Agreement by it do not contravene other agreements, applicable law, or orders to which it is subject.

8.2 **Disclaimer.** EXCEPT AS OTHERWISE PROVIDED HEREIN, THE SERVICES ARE PROVIDED “AS IS” AND THE SUPPLIER DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES WHATSOEVER WITH RESPECT TO THE SERVICES, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, OR NONINFRINGEMENT, WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.

9. **Limitation of Liability.** EXCEPT FOR BREACHES OF SECTION 6 (CONFIDENTIALITY) OR VIOLATION OF A PARTY’S INTELLECTUAL PROPERTY RIGHTS, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY LOSS OF PROFITS, LOSS OF BUSINESS, LOSS OR DAMAGES TO GOODWILL, FINES OR PENALTIES, COSTS OF PROCUREMENT OF SUBSTITUTE SERVICES, LOSS OF USE OR DATA, INTERRUPTION OF BUSINESS, OR FOR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, REGARDLESS OF THE LEGAL OR EQUITABLE THEORY ON THE BASIS OF WHICH ANY CLAIM FOR DAMAGES IS BROUGHT, INCLUDING, BUT NOT LIMITED TO, BREACH OF CONTRACT, TORT OR STATUTE, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EXCEPT FOR THE SUPPLIER’S BREACH OF SECTION 6 (CONFIDENTIALITY) OR VIOLATION OF THE CUSTOMER’S INTELLECTUAL PROPERTY RIGHTS, IN NO EVENT SHALL THE SUPPLIER’S LIABILITY TO THE CUSTOMER UNDER OR IN RESPECT OF THIS AGREEMENT EXCEED THE FEES PAID DURING THE TWELVE (12) MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM.

10. **Termination and Suspension.**

10.1 **Termination.**

(a) Without affecting any other right or remedy available to it, either party may terminate this Agreement with immediate effect by giving written notice to the other party if the other party commits a material breach of any term of this Agreement and (if such a breach is remediable) fails to remedy that breach within 30 days of that party being notified in writing to do so.

(b) Without affecting any other right or remedy available to it, the Supplier may terminate this Agreement with immediate effect by giving written notice to the Customer if the Customer: (i) is dissolved or liquidated or takes any corporate action for such purpose; (ii) becomes insolvent or is generally unable to pay its debts as they become due; (iii) becomes the subject of any voluntary or involuntary bankruptcy proceeding under any domestic or foreign bankruptcy or insolvency Law; (iv) makes or seeks to make a general assignment for the benefit of its creditors; (v) applies for, or consents to, the appointment of a trustee, receiver or custodian for a substantial part of its property; or (vi) the Customer suspends, or threatens to suspend, or ceases or threatens to cease to carry on all or a substantial part of its business.
10.2 Without affecting any other right or remedy available to it, the Supplier may suspend the Services if (a) the Customer fails to pay any amount due under the Agreement on the due date, (b) the Customer becomes subject to any of the events listed in Clause 10.1(b), or (c) the Supplier reasonably believes that the Customer is about to become subject to any of the events listed in Clause 10.1(b).

11. Effect of Termination

11.1 On termination of the Agreement:

   (a) the Customer shall immediately pay to the Supplier all of the Supplier’s outstanding unpaid invoices and interest and, with respect to Services for which no invoice has been submitted, the Supplier shall submit an invoice, which shall be payable by the Customer upon receipt;

   (b) the Customer shall return all Supplier Materials that have not been fully paid for. If the Customer fails to do so, then the Supplier may enter the Customer’s premises and take possession of such Supplier Materials. Until all such Supplier Materials have been returned, the Customer shall be solely responsible for their safe keeping and will not use them for any purpose not connected with this Agreement.

11.2 Termination of this Agreement shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination, including the right to claim damages in respect of any breach of the Agreement which existed at or before the date of termination.

11.3 Clauses 1, 2.4, 4, 6, 7, 8, 9, 11, and 12 shall survive expiration or termination of this Agreement for any reason.


12.1 Force majeure. Neither party shall be in breach of this Agreement nor liable for delay in performing, or failing to perform, any of its obligations hereunder if such delay or failure results from a Force Majeure Event. If the period of delay or non-performance continues for 30 days, the party not affected may terminate this agreement by giving 7 days’ written notice to the affected party. “Force Majeure Event” means any circumstance not in a party’s reasonable control including, without limitation:

   (a) acts of God, flood, drought, earthquake or other natural disaster;

   (b) epidemic or pandemic;

   (c) terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo or breaking off of diplomatic relations;

   (d) nuclear, chemical or biological contamination, or sonic boom;

   (e) any law or any action taken by a government or public authority, including without limitation imposing an export or import restriction, quota or prohibition, or failing to grant a necessary licence or consent;
(f) collapse of buildings, fire, explosion or accident;
(g) any labor or trade dispute, strikes, industrial action or lockouts;
(h) non-performance by suppliers or subcontractors; and
(i) interruption or failure of utility service.

12.2 Assignment. Customer shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Supplier. Any purported assignment or delegation in violation of this Clause is null and void. No assignment or delegation relieves Customer of any of its obligations under this Agreement.

12.3 Entire agreement.

(a) This Agreement (including any Orders) constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter and all past courses of dealing or industry custom.

(b) Each party acknowledges that in entering into this Agreement it does not rely on, and shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement.

12.4 Amendment. No modification or amendment of any provision of this Agreement will be effective unless in a writing duly executed by authorized representatives of both parties. Electronic signatures will have the same weight and effect as original signatures.

12.5 Waiver. A waiver of any right or remedy under this Agreement or by law is only effective if given in writing and shall not be deemed a waiver of any subsequent right or remedy. A failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under this Agreement or by law shall prevent or restrict the further exercise of that or any other right or remedy. All rights conferred under this Agreement or by any other instrument or law shall be cumulative and may be exercised singularly or concurrently.

12.6 Severance. If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this Clause shall not affect the validity and enforceability of the rest of this Agreement.

12.7 Notices. To be effective, any notice required to be given under this Agreement will be given in writing, addressed to the applicable party (at the address in the Order) and hand delivered, which is effective upon delivery; sent by reputable overnight courier, which is effective on the business day following deposit with such courier; or sent by the United States
mail, first class postage prepaid, which is effective on the third business day after deposit in the United States mail.

12.8 Third party beneficiaries. No term of this Agreement will be construed to confer any third-party beneficiary rights on any non-party.

12.9 Independent contractors. The parties are independent contractors, and no agency, partnership, franchise, joint venture, or employment relationship is intended or created by this Agreement.

12.10 Governing law and venue. This Agreement will be governed by and interpreted in accordance with the laws of the State of Illinois, without regard to its choice of law provisions. Each party hereto: (a) consents to and waives any objections to personal jurisdiction, service of process, and venue in the federal and state courts located in Chicago, Illinois; and (b) agrees that any action arising out of or relating to this Agreement will be filed and prosecuted only in such courts. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement, and the parties hereby disclaim the application thereof.