

CHARES RIVER LABORATORIES, INC.

MASTER TRANSGENIC SERVICES AND SUPPLY AGREEMENT

Charles River Laboratories, Inc., ("Charles River") and \_\_\_\_\_ ("Customer") agree, as of this \_\_\_ day of 2006, that the following terms and conditions will govern the provision of services by Charles River to Customer involving transgenic, knockout, or mutant laboratory animal identified on Appendix A hereto (in each case, a "Genetic Model") to help support the commercialization of Customer's Genetic Model.

**1. Charles River Services.** Charles River shall provide colony maintenance, health monitoring, and production services for each Genetic Model, as well as customer fulfillment services, including filling customer orders, invoicing customers and arranging for shipment of Genetic Models to clients of Customers (collectively, the "Supply Services"). Charles River will also be providing cryopreservation, rederivation, and breeding and production by Charles River of the Genetic Model (the "Transgenic Services") to Customer.

**2. Appointment of Charles River as Sole Supplier of Genetic Model.**

(a) Customer hereby appoints Charles River and Charles River accepts such appointment to be Customer's exclusive and worldwide supplier of the Genetic Models and Supply Services. Charles River will directly ship any and all Genetic Models to Customer's clients and Customer shall not ship or engage any third party to ship any Genetic Models to third parties. Charles River shall have the right, but not the obligation, to advertise in its marketing materials and catalogs that it maintains the Genetic Models and that it has been appointed Customer's exclusive and worldwide supplier of the Genetic Models. Charles River will invoice the Customers' clients directly for Genetic Models shipped to them.

(b) In the event that Customer receives orders for a Genetic Model, it shall send prompt notice to Charles River of such shipment request. Such notice shall include all of the information necessary to complete the shipment order including without limitation the customer name, shipping information, contact information and order details.

**3. Right of First Refusal.** In the event that Customer intends to commercialize any Genetic Model, Customer must first offer to Charles River the opportunity to obtain full license rights to such Genetic Model for the purpose of commercialization. If Charles River declines such opportunity or the parties are unable to mutually agree on acceptable terms of a license agreement, then Customer may pursue the commercialization of such Genetic Model with a third party.

**4. Prices/Payment Terms:**

(a) **For Supply Services.** Customer will establish the price of its Genetic Model. Charles River shall receive a fee ("Fee") equal to 10% of Customer's price for each Genetic Model shipped by Charles River. The Charles River fee is subject to annual price

increases. Charles River shall invoice Customer for the Fees. All invoices shall be due and payable by Customer within 30 days of receipt.

(b) **For Transgenic Services.** Prices for each of the Transgenic Services to be made available by Charles River hereunder will be Charles River's current list price. Prices are subject to Charles River's standard annual price increases set forth in its corporate catalog. Payment terms for Transgenic Services are net thirty (30) days following receipt by Customer of an invoice from Charles River for the Transgenic Services.

(c) **Late Payments.** All amounts not paid to Charles River when due shall bear interest from the applicable due date until paid, at the lesser of (i) four percent (4%) per annum above the base rate announced from time to time by Bank of America or its successor, or (ii) the highest lawful rate of interest permitted at the time in Massachusetts. In the event Customer fails to pay for any services provided hereunder within such thirty (30) day period, title to the Genetic Model and Progeny shall revert to Charles River solely for the purpose of destroying the Genetic Model and Progeny.

## **5. Delivery Terms:**

(a) **For Supply Services.** Delivery of units of the Genetic Model to Customer's clients shall be F.O.B. Charles River's facilities, with all freight and related expenses being pre-paid by Charles River and invoiced to Customer's client. Charles River shall arrange insured common carrier transportation of the units of the Genetic Model to the designated destination. Title to and risk of loss of units of the Genetic Model shall pass to the Customer's client at the time of delivery to a common carrier.

(b) **For Transgenic Services.** Delivery of units of the Genetic Model to Customer shall be F.O.B. Charles River's facilities, with all freight and related expenses being prepaid by Charles River and invoiced to Customer. Charles River shall arrange insured common carrier transportation of the units of the Genetic Model to the Customer's designated destination, the cost of which shall be borne by Customer. Title to and risk of loss of units of the Genetic Model shall pass to the Customer at the time of delivery to a common carrier. At the request of Customer and subject to Section 11 hereof, Charles River may, but shall not be obligated to, transfer and deliver units of the Genetic Model from Charles River's facilities into the possession of a third party designated by Customer.

**6. Ownership.** Customer warrants to Charles River that it has full title, rights and interests to the intellectual property included in any Genetic Model necessary for it to lawfully permit Charles River to perform its obligations hereunder. Customer further warrants that no third party has claimed that any Genetic Model infringes or allegedly infringes on the patent or other intellectual property or proprietary right of any third party. Accordingly, Customer has the unconditional right to retain Charles River to provide the services in accordance with Section 1 and to enter into this Agreement.

**7. Use.** Charles River will not use the Genetic Model or any progeny thereof ("Progeny") for any purpose other than performance of services hereunder, and shall not transfer the Genetic Model, or Progeny, to any third party without Customer's prior written consent.

8. **Progeny.** Charles River does not guarantee to Customer the genetic structure or integrity of the Progeny. Charles River disclaims any representation or warranty: (a) of commercial, scientific or research utility of the Progeny; or (b) that the use by Customer of the Progeny will not infringe any patent, trademark or other intellectual property right of any third party. Charles River further makes no representation or warranty as to the safety or health of the Progeny.

9. **Term and Termination.**

(a) This Agreement shall have a term of three (3) years, which term may be renewed at any time by mutual written agreement of the parties.

(b) This Agreement and all rights granted hereunder may be terminated by either party in the event of a material breach by the other party (the “Defaulting Party”) of any of its obligations hereunder and failure by the Defaulting Party to remedy such breach within thirty (30) days after written notice of such breach is provided to the Defaulting Party. In the event of such termination, neither party shall be relieved of any of its obligations incurred prior to such termination and each party shall have any and all rights and remedies available to it at law or in equity.

(c) This Agreement may be terminated, by either party, effective immediately and without notice, in the event of (i) the dissolution, termination of existence, liquidation or insolvency of the other party, (ii) the appointment of a custodian or receiver for the other party, (iii) the institution by or against the other party of any proceeding under the United States Bankruptcy Code or any other foreign, federal or state bankruptcy, receivership, insolvency or other similar law affecting the rights of creditors generally, or (iv) the making by the other party of a composition of, or any assignment or trust mortgage for the benefit of, creditors provided that the current proceedings with the Bankruptcy Court are excluded herefrom.

(d) Any termination of this Agreement shall be without prejudice to any other rights or remedies available under this Agreement or at law.

(e) Upon termination of this Agreement, the following Sections shall remain in full force and effect: 3 (Ownership), 10 (General Warranty and Disclaimers), 11 (Indemnification), 12 (Confidentiality), 13 (Limitation of Liability), and 17 (Dispute Resolution).

(f) Upon termination of this Agreement, Charles River shall return all Genetic Models to Customer at Customer’s expense.

10. **General Warranty and Disclaimers.** Charles River warrants that the Progeny are produced from Customer's Genetic Model(s) in accordance with the Customer’s instructions. Upon notification of a defect by Customer or any other loss of the Genetic Model or Progeny, Charles River shall have the option to either refund the purchase price or replace the Progeny, and such refund or replacement shall be Customer's sole and exclusive remedy against Charles River. Any modification of the Progeny by Customer shall void this warranty. The foregoing

warranty shall be subject to Customer maintaining the Progeny in accordance with Charles River's instructions. THIS WARRANTY IS IN LIEU OF, AND CHARLES RIVER SPECIFICALLY DISCLAIMS AND EXCLUDES, ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT OF A PATENT, TRADEMARK OR OTHER INTELLECTUAL PROPERTY RIGHTS. Charles River's liability under this warranty or otherwise shall in no event exceed the price for the Services, and Charles River shall not, under any circumstances, be liable for any special, indirect, consequential or incidental damages arising out of or in connection with the Services or the Progeny. The parties acknowledge that the Progeny need not be, and accordingly have not been, produced or maintained in accordance with FDA/GMP or any other government guidelines.

**11. Indemnification.** Customer is not aware, after reasonable inquiry, of any infringement by the Genetic Model on the patent or other proprietary rights of any third party. Customer indemnifies Charles River against any loss or damages actually incurred which may result from the Genetic Model having infringed the patent rights of a third party. Additionally, Customer hereby agrees to indemnify and hold harmless Charles River, its parent subsidiaries and affiliates and their respective officers, employees and directors against any and all liability, loss, damage, cost or expense (including reasonable attorney's fees and expenses and cost of investigation) which any of them may hereafter incur, suffer or be required to pay as the result of any damage suffered or alleged to be suffered, including, without limitation, death or personal injury and any direct, consequential, special and punitive damages, as a result of Charles River delivering units of the Genetic Model directly to any third party at the direction of Customer pursuant to this Agreement.

**12. Confidentiality.** Each party will maintain as confidential all proprietary information of the other party for which said party reasonably requests confidentiality in writing. Said information will be treated by the receiving party as confidential for three years from the date of disclosure. Each party will use reasonable efforts to safeguard the confidentiality of such proprietary information furnished by the disclosing party. The following shall not be considered proprietary information: (a) information that is now in the public domain or subsequently enters the public domain through no fault of the receiving party, (b) information that is presently known or becomes known to the receiving party from its own independent sources, (c) information that the receiving party receives from any third party not under any obligation to keep such information confidential, and (d) information that is required to be disclosed by law.

**13. Limitation of Liability.** IN NO EVENT SHALL CHARLES RIVER BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSS OF PROFITS, LOSS OF OPPORTUNITIES, LOSS OF DATA, LOSS OF USE DAMAGES OR COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES. Charles River's liability under this Agreement shall in no event exceed the price received by Charles River for the services to which liability relates.

**14. No Obligation.** Nothing contained in this Agreement shall obligate Charles River to accept additional Genetic Models from Customer or to provide additional services other than

the Transgenic Services and the Supply Services, and Charles River may reasonably refuse any such request.

**15. Publicity.** Neither party shall use the other party's name or logo without the prior written approval of such other party, except that Charles River may use Customer's name and logo to the extent reasonably necessary for Charles River to perform its obligations hereunder. Neither party shall issue any press release or make any public announcement regarding the subject matter of this Agreement without the prior written approval of the other party; provided, however, that any party may make any public disclosure it believes in good faith is required by law, regulation or stock exchange rule (in which case the disclosing party shall advise the other party and the other party shall, if practicable, have the right to review such press release or announcement prior to its publication).

**16. Trademark License.** Customer hereby grants to Charles River a non-exclusive non-transferable license in its trademarks, service marks, tradenames and copyrights related to the Genetic Model (collectively, the "Customer Marks") for the term or terms of this Agreement solely for the purposes fulfilling its obligations under this Agreement. Charles River acknowledges that it has no interest in the Customer Marks other than the license granted under this Agreement and that Customer will remain the sole and exclusive owner of all right, title and interest in the customer Marks.

**17. Dispute Resolution.** Following the Effective Date, the following procedures shall be used to resolve any disputes, claims or controversies between the parties. If any of these provisions are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by law.

(a) **Discussions.** Following the execution of this Agreement, each party shall designate a Relationship Manager and all communications between the parties shall include the Relationship Managers. The parties shall first employ the full resources of the Relationship Managers to resolve all disputes expeditiously and informally. In the event that such dispute cannot be resolved by such persons after a reasonable period of time, the parties shall each involve an executive officer of the respective parties, each of whom shall review and discuss the dispute between them and attempt to resolve it by agreement. If such dispute cannot be resolved by the foregoing method within a reasonable period of time, the parties shall resort to the mediation procedure set forth below.

(b) **Mediation.** Either party may submit a dispute to mediation by providing written notice to the other party. In the mediation process, the parties will try to resolve their differences voluntarily with the aid of an impartial mediator, who shall attempt to facilitate negotiations. The mediator shall be selected by agreement of the parties. If the parties cannot otherwise agree on a mediator, a mediator shall be designated by the American Arbitration Association or any successor organization ("AAA") at the request of a party. Any mediator so designated must be acceptable to all parties. The mediation shall be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and therefore shall be

confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. No recording or transcript shall be made of the mediation proceedings. Each party shall bear its own costs in the mediation. The fees and expenses of the mediator shall be shared equally by the parties.

(c) Arbitration. If a dispute has not been resolved within 30 days after the written notice beginning the mediation process (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. The arbitration shall be conducted in accordance with the procedures in this provision and the Commercial Rules of the AAA (“AAA Rules”). In the event of a conflict, the provisions of this Section shall control. The arbitration shall be conducted before a single arbitrator to be selected as provided in the AAA Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of these procedures, including any contention that all or part of these procedures are invalid or unenforceable, shall be governed by the Federal Arbitration Act and resolved by the arbitrator. No potential arbitrator may serve unless he or she has agreed in writing to abide and be bound by these procedures. The arbitrator may not award non-monetary or equitable relief of any sort. They shall have no power to award (a) damages inconsistent with this Agreement or (b) punitive damages or any other damages not measured by the prevailing party’s actual damages, and the parties expressly waive their right to obtain such damages in arbitration or in any other forum. In no event, even if any other portion of these provisions is held to be invalid or unenforceable, shall the arbitrator have power to make an award or impose a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction. No discovery shall be permitted in connection with the arbitration unless it is expressly authorized by the arbitrator upon a showing of substantial need by the party seeking discovery. All aspects of the arbitration shall be treated as confidential. Neither the parties nor the arbitrator may disclose the existence, content or results of the arbitration, except as necessary to comply with legal or regulatory requirements. Before making any such disclosure, a party shall give written notice to all other parties and shall afford such parties a reasonable opportunity to protect their interests. The result of the arbitration shall bind the parties, and judgment on the arbitrator’s award may be entered in any court having jurisdiction. Each party shall bear its own costs of the arbitration. The fees and expenses of the arbitrator shall be shared equally by the parties. All arbitration proceedings shall be held in Boston, Massachusetts.

**18. Miscellaneous Legal Provisions.** Neither party shall be liable for any failure of performance beyond its reasonable control. This Agreement constitutes the entire agreement between the parties relative to the Genetic Model(s), and supersedes all other proposals, understandings or agreements. This Agreement may be amended or terminated only by a written agreement between the parties. The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect the remainder of the Agreement, and this Agreement shall be construed and reformed without such provision. This Agreement shall be governed by the laws of the Commonwealth of Massachusetts, and Customer consents to the use of jurisdiction in Massachusetts as a venue for settling all disputes and controversies. Each party will bear its own counsel fees and other expenses related to the transaction. Each party warrants to the other party that it has not dealt with any person or entity that is or may be entitled to a broker’s commission, finder’s fee or similar payment from the other party for arranging the transaction. Nothing in this

Agreement shall be deemed to create a relationship of employment or agency or to constitute the parties as partners or joint venturers. In no event will Customer or any of its affiliates solicit any Charles River employee who has provided services hereunder for employment or any contract/consultative position during the term of this Agreement and for a period of one year after its termination. This Agreement may not be assigned without the prior written consent of the non-assigning party. This Agreement shall become binding when signed by the Customer and executed by an authorized representative of Charles River.

**19. Notices.** All notices, requests, claims and other communications hereunder shall be in writing. Any notice, request, claim or other communication hereunder shall be deemed duly delivered if it is sent by facsimile transmission, electronic mail (with documented receipt of delivery), or via the U.S. postal service or any next business day delivery via a reputable nationwide overnight courier service, in each case to the intended recipient as set forth below:

If to Charles River: Mr. William Barbo  
Charles River Laboratories, Inc.  
251 Ballardvale Street  
Wilmington, MA 01887  
978-658-6000 (t)  
978-658-6974 (f)

With a copy to: Ms. Jody Acford  
General Counsel  
Charles River Laboratories, Inc.  
251 Ballardvale Street  
Wilmington, MA 01887  
978-658-6000 (t)  
978-988-5665 (f)

If to Customer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other party notice in the manner herein set forth.

**CUSTOMER ACKNOWLEDGES THAT AN AUTHORIZED OFFICIAL HAS READ THIS AGREEMENT, UNDERSTANDS IT AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year indicated above.

Charles River Laboratories, Inc.

[INSERT NAME OF CUSTOMER]

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name:

Print Name:

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Appendix A  
Description of Genetic Model(s)