

TERMS AND CONDITIONS OF SALE

The following provisions are the standard Terms and Conditions of Purchase ("Terms and Conditions") of Aptevo Research and Development LLC and/or its Affiliates ("Buyer"), and shall govern and control each instance whereby Buyer obtains or otherwise acquires from you ("Seller") items or products, including, without limitation, raw materials, parts, equipment or machinery (collectively "Products") or services ("Services"), whether pursuant to issuance of a written purchase order to Seller, an order for purchase made by credit card transaction, an on-line order, a telephone order or by any other means (each, an "Order"). Buyer and Seller are hereinafter sometimes individually referred to as a "Party" and collectively as the "Parties".

"Affiliate" shall mean any direct or indirect, current or future subsidiary of a Party, or any other entity controlled by, or is under common control with, or which controls such Party. "Control" shall mean direct or indirect possession of at least fifty percent (50%) of another entity's voting equity (or other comparable interest for a non-corporation), or the power to direct or cause the direction of the management or policies of such entity whether through ownership of securities, by contract or otherwise.

If the Parties are currently under an active Master Services Agreement or other similar agreement, the terms & conditions of the original agreement supersede.

1. ACCEPTANCE. Acceptance of each Order is expressly limited to these Terms and Conditions unless (a) otherwise agreed to in writing by an authorized representative of Buyer, or (b) such Order is generated pursuant to a fully executed agreement between Buyer and Seller that specifically provides for the issuance of such Order. Seller's consent to these Terms and Conditions shall be conclusively presumed from any Seller conduct that recognizes the existence of an agreement, including written acceptance of an Order, shipment of any part of an Order, provision of Products or Services pursuant to an Order, or transmittal of an invoice to Buyer. Any Seller alterations to the documents comprising Buyer's Order, and any terms contained in Seller's documents or Seller's acceptance, are hereby expressly rejected by Buyer, shall have no effect on the validity of Seller's acceptance of these Terms and Conditions (including all Buyer terms in documents comprising an Order), and shall only constitute a proposal for modification of these Terms and Conditions unless and until they are expressly accepted in writing by an authorized representative of Buyer. Seller expressly acknowledges and agrees that all such alterations and terms are null and void, and of no force or effect.

2. SCOPE. Seller will provide Products or Services as described in Buyer's Order in conformance with the specifications and requirements set forth in such Order. Buyer shall not be required to purchase a minimum amount of Products or Services, or Products or Services in excess of that stated in an Order submitted by Buyer to Seller.

3. PRICE AND PAYMENT. Buyer will pay Seller the applicable amounts, unit prices, or rates that are expressly listed in each Buyer Order. Buyer may deduct or set off from any amount due and payable to Seller any disputed amount that Buyer determines is the result of (a) Seller's attempt to charge Buyer more than the amount specified in the applicable Order, or (b) any claim against Seller resulting from an Order or any other transaction. Invoices shall be payable within forty-five (45) days from receipt of invoice.

4. DELIVERY. Time is of the essence regarding each Order. If delivery of Products or performance of Services is not completed by the time stated in each Order, Buyer reserves the right, without liability and in addition to and without waiver of any of Buyer's other rights and remedies, to terminate an Order by written notice as to any or all stated Products or Services, and to purchase substitute Products or Services elsewhere and charge Seller with any loss or damage incurred by Buyer. Notwithstanding the foregoing, Seller shall not be liable for damages resulting from unforeseeable delays due to causes beyond Seller's reasonable control (such as acts of God, natural disasters and government acts), provided that such delay is not due to the fault or negligence, in whole or in part, of Seller, its employees, agents or representatives. Seller shall provide prompt notification to Buyer of any delay in fulfillment of an Order. Any provision herein for delivery of Products or performance of Services by installments shall not be construed as making Seller's obligations severable. Buyer reserves the right to return early deliveries or excess or short shipments at Seller's expense. All deliveries of Products shall be FOB Destination PPA.

5. TITLE TO PRODUCTS, RISK OF LOSS. Products shall be delivered to Buyer at the address specified in Buyer's Order. Unless otherwise explicitly provided for in Buyer's Order, title and risk of loss to Products shall pass to Buyer only at the time and place of delivery at Buyer's facility.

6. BILLING, PACKAGING AND SHIPPING. No charge shall be made for packaging, transportation or storage of Products except as agreed upon in writing by Buyer. All Products shall be suitably packed in containers to avoid damage during shipment and storage and in a manner to secure lowest transportation costs. Unless otherwise specified in writing by Buyer, Seller shall properly mark each package (a) with Buyer's Order numbers and where multiple packages comprise a single shipment, each package as well as each individual container within each said package shall also be consecutively numbered, and (b) in accordance with any other Buyer written instructions or specifications included in an Order. Purchase order number and package numbers shall be shown on packing slips, bills of lading, and invoices. Packing slips must accompany each shipment.

7. INSPECTION, REJECTION OF PRODUCTS OR SERVICES. All Products and Services furnished hereunder shall be subject to inspection and acceptance, and Seller shall be given notice of any nonconformance or defects (other than latent defects) within a reasonable time after receipt of such Products or Services. Buyer may reject or require the prompt correction of any Product or Service which is found not to conform in all respects to (a) Buyer's specifications, (b) each of Seller's express or implied warranties, or (c) any other instructions or requirements contained in Buyer's Order. In the event of any non-conformance, in addition to any other rights Buyer may have, Buyer may, at Seller's sole expense, prepare for shipment and ship such Product to Seller, or require Seller to replace or correct the nonconforming Product or Service. If Seller fails promptly to replace or correct the nonconforming Products or Services, Buyer may replace or correct such Products or Services at the expense of Seller, including any excess procurement and other costs. Payment for any or all of the Products or Services supplied pursuant to an Order shall not constitute acceptance by Buyer.

8. WARRANTY. Seller represents and warrants that all Products and Services (a) shall be new and not refurbished, unless otherwise expressly agreed to in writing by Buyer, (b) will conform to the designs, specifications, drawings, samples or other descriptions referred to in Buyer's Order or as represented by Seller in its catalog or other Seller written description, (c) will be manufactured in accordance with any applicable Good Manufacturing Practices, and (d) will be free from defects in material, design and workmanship (including damage due to unsatisfactory packing by Seller). Seller further represents and warrants that Seller shall keep Buyer's premises free from any and all liens and encumbrances arising out of or in connection with performance of Services. The warranties contained herein shall run to Buyer and its customers and users of Buyer's products or services, and shall survive inspection, acceptance and payment

9. CONFIDENTIALITY. Seller acknowledges that Seller and its employees, agents and subcontractors may acquire, have access to or create Proprietary Information as a result of an Order. Seller shall protect such

Proprietary Information from unauthorized disclosure using measures at least as stringent as Seller uses to protect its own proprietary information, but in no event less than industry-standard measures. Seller shall not communicate Proprietary Information to any third party without Buyer's prior written consent, and shall ensure that such third party is bound to confidentiality requirements substantially identical to this paragraph by way of a written, signed agreement. Seller shall not use, or permit to be used, Proprietary Information other than for fulfillment of an Order. Seller expressly acknowledges that improper disclosure of this provision will cause immediate, substantial, and irreparable harm to Buyer for which monetary damages would not be a sufficient remedy. Accordingly, Seller agrees that breach of this paragraph shall entitle Buyer to seek an injunction restraining all further acts of disclosure and/or unauthorized use of Proprietary Information. Seller shall promptly return to Buyer all Proprietary Information (including any copies thereof) upon Buyer's request. No information furnished by Seller to Buyer shall be considered confidential or proprietary information of Seller unless specifically agreed to in writing by Buyer. "Proprietary Information" shall mean non-public and proprietary information of Buyer, in either written or oral form, including, without limitation: (a) any business information or plans, including customer identity information, manufacturing, operating and cost information, financial data, marketing data, formulae, graphs, letters, drawings, R&D information, designs, engineering information, test data, processing or packaging technology, and similar information, (b) any technical information, including specifications and requirements provided by Buyer in connection with fulfillment of an Order, and (c) Materials (as hereinafter defined). Information shall not be deemed to be Proprietary Information if such information is: (i) in the public domain at the time it is communicated to Seller or thereafter enters the public domain through no fault of the Seller; (ii) developed by Seller independently and without the use of any Proprietary Information, as demonstrated by Seller's contemporaneous written records; or (iii) is ordered to be disclosed by a court of competent jurisdiction, provided that Seller shall (1) promptly notify Buyer of such order, (2) reasonably assist Buyer in any opposition of such order prior to disclosure, and (3) only disclose such portion of the Proprietary Information as is necessary to comply with such order.

10. INDEMNIFICATION. In fulfilling an Order, Seller shall take reasonable precautions consistent with applicable industry or professional standards to prevent any injury to person or property. Seller shall indemnify, defend and hold Buyer harmless from and against any and all claims, actions, proceedings, losses, damages, liabilities, costs and expenses of any nature, including reasonable attorneys' fees and costs (collectively "Claims"), that may be sustained by or claimed against Buyer arising from or in connection with (a) possession or use of any Products or Services or the actions of Seller and its employees, agents, representatives and contractors, except for Claims arising solely and directly from Buyer's gross negligence or willful misconduct, (b) defects, omissions or negligence in the design, manufacture or labeling of Products or furnishing of Services under any Order, (c) Seller's breach of any warranty, representation or obligation contained in the Terms and Conditions or any Order, and (d) any and all liens and encumbrances arising out of or in connection with performance of Services and to keep Buyer's premises free from all such liens and encumbrances.

11. INSURANCE. Seller shall maintain, at its sole cost and expense, insurance policies meeting the following minimum requirements: (a) Workers' Compensation insurance in accordance with applicable statutory requirements, (b) Commercial General Liability insurance including products/completed operations coverage at annual limits of liability not less than \$1 million per occurrence; \$2 million general aggregate; and \$3 million products/completed operations aggregate, (c) Employer's Liability insurance in an amount not less than \$1 million, (d) Automobile Liability insurance in an amount not less than \$1 million per occurrence, (e) "All-risk" property insurance for all equipment, merchandise and all other items belonging to Seller on Buyer's premises at full replacement value, and (f) Umbrella Liability insurance in the amount of \$5 million per occurrence and in the aggregate. Seller shall (i) promptly provide certificates of insurance to Buyer evidencing limits of liability and expiration dates, and (ii) ensure that Seller's subcontractors comply with all insurance requirements contained herein, including, without limitation, requiring each such subcontractor to procure and maintain insurance of the type and to the limits specified above. Seller acknowledges and agrees that Seller's compliance or non-compliance with the insurance requirements of this section shall not be construed to limit or affect Seller's other obligations or liability under these Terms and Conditions.

12. WORK PRODUCT. Any material created for or at the request of Buyer, including, without limitation, artwork, designs, sketches, samples, audiotapes, videotapes, photographs, advertising copy, publicity materials, packaging, reports, data, documents or other creative material ("Material"), in any form whatsoever (including electronic form) and regardless of whether such Material incorporates Buyer's trademark(s), shall constitute work-made-for-hire under the copyright laws of the United States and shall be promptly provided to Buyer by Seller. Such Material shall be the sole and exclusive property of Buyer, and Buyer shall be deemed to be the author and copyright holder thereof. In the event Seller retains any interest in Material (in whole or in part) Seller irrevocably grants, assigns and transfers to Buyer, free and clear of any compensation, all rights with respect thereto and will execute any document necessary to convey such title to Buyer.

13. INTELLECTUAL PROPERTY INDEMNITY. Seller agrees to forever defend, indemnify and hold harmless Buyer, its directors, officers, employees, agents, representatives, successors and assigns and any of Buyer's customers and all persons claiming under Buyer ("Buyer Parties") from and against any and all Claims arising by reason of actual or alleged infringement or contributory infringement of any United States or foreign Letters Patent, copyright, trademark or traddress rights (collectively "Intellectual Property Rights") arising in any way out of or connected with an Order, including, without limitation, by reason of the manufacture, delivery, use or sale of Products or Services supplied to Buyer, and Seller agrees to defend at its own expense any and all actions or proceedings charging infringement of said Intellectual Property Rights that may be brought against any Buyer Parties and to pay all costs and damages that may be assessed or incurred in every such action. This provision shall apply notwithstanding that any of said Claims shall ultimately be determined to be unjustified or to have been unfounded.

14. CHANGES TO ORDER. Buyer may, at any time upon written notice, make changes or additions to an Order, including, without limitation, modification of: (a) the description of Products or Services, (b) drawings, designs, samples, specifications or standard operating procedures, (c) the method of shipping or packing, (d) the place of inspection, acceptance, or point of delivery, and (e) time of performance. If such modification changes the cost of Products or Services or the time required for performance, Seller shall notify Buyer in writing within ten (10) days after Seller's receipt of Buyer's written modification notice of the amount of cost increase or decrease or the time required for performance and an appropriate equitable adjustment will be made by written modification of the applicable Order. If Buyer and Seller are unable to agree on an equitable adjustment within thirty (30) days of the date of Seller's adjustment notification, Buyer and Seller shall resolve the matter pursuant to the "Dispute Resolution" section of these Terms and Conditions; provided, however, that nothing in this section shall excuse the Seller from proceeding without delay in the performance of an Order as modified. Seller shall not make any change in material or process without the prior, written authorization of Buyer. This provision shall not in any way relieve Seller of its obligation to provide Products or Services in conformance with the designs, specifications, drawings, samples or other descriptions referred to in an Order.

15. TERMINATION. Buyer may terminate all or any part of an Order without cause by providing written notice of such termination to Seller. In the event of a partial termination, Seller shall continue fulfillment of the applicable Order to the extent not terminated. Upon receipt of a termination notice, Seller shall immediately cease fulfillment of such Order as described in the notice and, as directed by Buyer, deliver or otherwise dispose of all

completed and partially-completed Products, Materials and work in progress. Buyer's sole obligation and liability to Seller following such termination shall be for payment of (a) the price provided in Buyer's Order for all Products or Services delivered or completed prior to such termination that are accepted by Buyer, and (b) reasonable, actual, nonrecoverable expenditures or commitments by Seller (including reasonable cancellation charges to Seller's suppliers) on the uncompleted portion of the applicable Order; provided, however, that in no event shall Buyer's obligation exceed the total price or applicable unit price provided for in such Order. Notwithstanding the foregoing, if Seller ceases to conduct its normal business operations, including failing to meet its obligations as they mature, or if any bankruptcy or insolvency proceeding is brought by or against Seller, or a receiver for Seller is appointed or applied for or an assignment of substantially all the assets of Seller for the benefit of creditors is made by Seller, Buyer may terminate an Order without any liability whatsoever, except for deliveries previously made or for Products or Services covered by an Order then completed and subsequently delivered in accordance with the terms hereof. In the event of any termination by Buyer (including any Buyer-imposed work stoppage order), Seller shall take all reasonable measures to mitigate damages and limit the incurrence of costs due to such termination or work stoppage. In no event shall Buyer be liable for lost or anticipated profits, or for any sum in excess of the total price or applicable unit prices under an Order. Any claim for payment by Seller arising under this Section must be asserted within thirty (30) days after Seller's receipt of notice of termination, or such other period as may be agreed upon in writing by the Parties. Buyer's right to issue a termination or work stoppage order under this Section shall be in addition to any other rights or remedies Buyer may have for Seller's default.

16. COMPLIANCE WITH APPLICABLE LAW. Seller shall provide all Products and perform all Services in accordance with all applicable state, federal, or other laws and regulations. If Seller is required to operate on Buyer's premises to fulfill an Order, Seller shall comply with Buyer's codes, policies and procedures, and shall attend all required site-specific training.

17. GOVERNING LAW; JURISDICTION. Fulfillment of each Order shall be governed by and construed according to the laws of the state of Delaware, without regard to the conflicts of law principles of any state, nation or jurisdiction in which in any action is brought in respect of the formation, interpretation or obligations hereunder. Any action commenced by a Party to enforce the terms of this Agreement must be brought in the courts of the jurisdiction where the Products or Services were primarily delivered hereunder. The Parties hereby irrevocably consent to the jurisdiction and venue of those Courts. The Parties expressly waive any right that they have or may have to a jury trial of any dispute arising out of or in any way related to these Terms and Conditions, or any breach thereof.

18. DISPUTE RESOLUTION. All disputes or claims arising hereunder that cannot be resolved by the Parties shall be submitted to non-binding mediation for a period of thirty (30) days, which may be extended by written agreement of the Parties. If such dispute is not resolved through mediation or otherwise within the specified period, either Party may pursue remedies available to it at law or in equity, subject to the provisions of these Terms and Conditions.

19. SEVERABILITY. In the event that all or any part of a provision of these Terms and Conditions is in conflict with any applicable rule of law or statutory provision or is otherwise unenforceable under the applicable laws or regulations of any government or subdivision thereof, such part or provision shall be deemed stricken from these Terms and Conditions; provided, however, that such invalidity or unenforceability shall not invalidate any other terms herein and these Terms and Conditions shall continue in force unless such invalidity or unenforceability does substantial violence to, or where such invalid or unenforceable provisions comprise an integral part of, or are otherwise inseparable from, the remainder of these Terms and Conditions.

20. ASSIGNMENT/SUBCONTRACTING. Seller shall not assign any interest in fulfilling an Order or subcontract any portion of its obligations hereunder or under any Order without the express, prior written consent of Buyer.

21. WAIVER. No delay by or omission of either Party in exercising any right, power, privilege, or remedy shall impair such right, power, privilege, or remedy or be construed as a waiver thereof. The rights and remedies provided in these Terms and Conditions are cumulative and are not exclusive of other rights or remedies provided by law.

22. AMENDMENTS. These Terms and Conditions shall not be amended, changed or modified in any manner except by an instrument in writing signed by duly authorized representatives of Buyer and Seller.

23. HEADINGS. The headings in these Terms and Conditions are inserted for the convenience of reference only and shall not affect the construction or interpretation hereof.

24. INDEPENDENT CONTRACTOR. Seller is an independent contractor, and these Terms and Conditions shall not create a joint venture, partnership, employer/employee relationship, agency or association between the Parties.

25. NOTICES. Notices permitted or required to be given hereunder shall be deemed sufficient if given (a) by registered or certified mail, postage prepaid, return receipt requested, or (b) by reputable, nationally known overnight courier, to the addresses below. If given by mail or overnight courier, notices shall be effective upon receipt by the Party to which notice is given, or on the seventh (7th) day following the date such notice was mailed or deposited with the overnight courier, whichever occurs first. If to Buyer: The address and email provided by Buyer on the Purchase Order If to Seller: The address and email provided by Seller and documented on Buyer's Supplier Information Form

26. TRADE-INS. For any Order in which Buyer trades in equipment or other assets ("Assets") to Seller and receives a credit for the trade-in value of such Assets, Seller acknowledges and agrees that such Assets are purchased by it and sold by Buyer "as is" and "where is" and that Seller has not relied on any representation, statement or other assertion with respect to the condition of the Assets. Buyer hereby disclaims any warranties, express or implied, as to the merchantability, fitness for purpose sold, description, quality or any other matter with respect to such Assets. In no event will Buyer be liable for payment of any direct, indirect, special, incidental or consequential damages whatsoever with respect to such Assets. Seller agrees to defend and indemnify Buyer from and against all Claims that may be sustained by or claimed against Buyer arising out of the use, sale, transfer, or condition of the Assets.

27. EQUIPMENT OR MACHINERY. For each Order that includes equipment or machinery, the following terms shall specifically apply:

(a) Manuals. Prior to shipment, Seller shall deliver at no additional cost to Buyer: (1) English-language maintenance and installation manuals and any other Buyer-required documentation as specified by Buyer, and (2) one complete set of #as built" drawings, which set shall be provided on appropriate substrate (paper, blueprint, etc.) and on computer disk in a program format approved by Buyer.

(b) Spare Parts. Seller shall provide Buyer with a spare parts list that contains (1) part specifications and drawings on appropriate substrate (paper, blueprint, etc.) and on computer disk in a program format approved by Buyer, (2) Seller-approved manufacturers for each part, and (3) a complete price list.

(c) Installation. Unless otherwise agreed in writing by Buyer, upon receipt at Buyer's facility Seller shall, at rates as agreed between the Parties: (1) provide Buyer with a suggested preventive maintenance plan, (2) send a qualified representative to install, ensure and document that such equipment or machinery performs to design specifications, and (3) provide adequate training of Buyer personnel to permit Buyer to safely and effectively operate the equipment or machinery. Seller's representative will remain on-site at Buyer's facility until any and all problems have been resolved to Buyer's satisfaction and the equipment or machinery is functioning to the level of stated claims and specifications, as certified in writing by Seller at Buyer's request. Seller's representative shall provide whatever tools or equipment are necessary to ensure the foregoing.

(d) In Service. Equipment or machinery shall only be considered "in service" and the warranty period effective upon final written acceptance by Buyer that such equipment or machinery meets Seller's stated claims and specifications, and is operating to Buyer's satisfaction.

28. EXPORT CONTROL. Seller acknowledges that to the extent any products, software, or technical information to be provided to Buyer under an Order are subject to the export laws and regulations of the United States, United Kingdom and/or any other jurisdiction, Seller shall inform Buyer in writing prior to performance of such Order.

29. TERM. These Terms and Conditions shall become effective as of the date of execution by Seller ("Effective Date") and shall continue in effect until revised or terminated as permitted herein ("Term"); provided, however, that if delivery of Products or performance of Services as described in any amendment thereto are then outstanding, the Term shall be automatically extended until such Products are delivered and accepted by Buyer, such Services are completed or the applicable Order otherwise expires or is terminated by Buyer.

30. USE OF NAME. Seller shall not use the name, tradename or trademark of Buyer in a press release, advertising, customer list, publicity or other promotional or commercial activity without the prior written consent of Buyer.

Seller agrees to these Terms and Conditions of Purchase. Seller expressly acknowledges and agrees that (1) these Terms and Conditions of Purchase and any Attachments shall apply to all Products or Services provided by Seller to Buyer in response to or fulfillment of any Order, and (2) any proposed limitation, modification or conflicting term or condition, specifically including any Seller provision that claims superiority over these Terms and Conditions, contained in a Seller invoice, quotation or other document (including but not limited to any purported acceptance by Buyer to Seller's terms in the context of an on-line, telephone, credit card or other order) shall be void and of no force or effect.

Seller:

Company Name

Signature of Seller's Acceptance:

Authorized Signature

Printed Name

Title

Date