

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the

Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **December 11, 2013**

Emergent BioSolutions Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-33137
(Commission
File Number)

14-1902018
(IRS Employer
Identification No.)
20850
(Zip Code)

2273 Research Boulevard, Suite 400, Rockville, Maryland
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(301) 795-1800**

Not applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

Arrangement Agreement

On December 11, 2013, Emergent BioSolutions Inc. ("Emergent") entered into an arrangement agreement (the "Arrangement Agreement") with Cangene Corporation, a corporation incorporated under the laws of Ontario ("Cangene"), pursuant to which a wholly-owned subsidiary of Emergent ("Acquisition Sub") will acquire all of the outstanding common shares of Cangene (the "Arrangement") for \$3.24 per share in cash (on a fully diluted basis), which represents a total purchase price of \$222 million.

The transaction is structured as a Canadian court-approved plan of arrangement. Completion of the Arrangement is subject to various customary closing conditions, including, among others, (1) approval of the Arrangement by holders of at least 66 2/3% of the votes cast by Cangene shareholders at a special meeting, (2) expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and (3) issuance by the Ontario Superior Court of Justice of a final order approving the Arrangement. There is no financing condition associated with the Arrangement.

The Arrangement Agreement contains certain termination rights for both Emergent and Cangene and further provides that, upon termination by Emergent under specified circumstances, Cangene may be required to pay to Emergent a termination fee of \$7,910,000 and, upon termination by Cangene under specified circumstances, Emergent may be required to pay to Cangene a reverse termination fee of \$15,820,000. The Arrangement Agreement also provides that under specified circumstances where the termination or reverse termination fee is otherwise not payable, Emergent or Cangene may be required to reimburse the non-terminating party for up to \$3,000,000 of reasonable out-of-pocket expenses.

The foregoing description of the Arrangement Agreement does not purport to be a complete description and is qualified in its entirety by reference to the full text of the Arrangement Agreement, which is attached hereto as Exhibit 2 and is incorporated herein by reference.

The representations and warranties of Emergent, Cangene and Acquisition Sub contained in the Arrangement Agreement have been made solely for the benefit of the parties to the Arrangement Agreement. In addition, such representations and warranties (1) have been made only for purposes of the Arrangement Agreement, (2) may be subject to limits or exceptions agreed upon by the contracting parties, (3) are subject to materiality qualifications contained in the Arrangement Agreement which may differ from what may be viewed as material by investors, (4) were made only as of the date of the Arrangement Agreement or other specific dates and (5) have been included in the Arrangement Agreement for the purpose of allocating risk between the contracting parties rather than establishing matters as facts. Investors should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of Emergent, Cangene or any of their respective subsidiaries or affiliates. Additionally, the representations, warranties, covenants, conditions and other terms of the Arrangement Agreement may be subject to subsequent waiver or modification. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Arrangement Agreement, which subsequent information may or may not be fully reflected in Emergent's or Cangene's public disclosures.

Voting Support Agreements

In connection with the Arrangement Agreement, Emergent entered into voting agreements (each a "Voting Support Agreement") with certain affiliated entities of The Apotex Group and certain Cangene directors who own, collectively, approximately 61% of outstanding Cangene common shares. On the terms and subject to the conditions set forth in each Voting Support Agreement, the shareholder has agreed to vote its shares in favor of the Arrangement and against any transaction or other action that would interfere with the Arrangement. The Voting Support Agreements contain certain termination rights for each of Emergent, Acquisition Sub and the respective affiliated entity of The Apotex Group or Cangene director, including upon the termination of the Arrangement Agreement unless Emergent has commenced a takeover bid for Cangene that, among other requirements, is on economic terms that are at least equivalent to those contemplated by the Arrangement Agreement.

The foregoing description of the Voting Support Agreements does not purport to be a complete description and is qualified in its entirety by reference to the full texts of each Voting Support Agreement, which are attached hereto as Exhibits 10.2-10.9 and are incorporated herein by reference.

Credit Agreement

On December 11, 2013, Emergent, as borrower, and certain of its subsidiaries as guarantors (the "Guarantors") entered into a Credit Agreement (the "Credit Agreement") and related agreements with Bank of America, N.A., as administrative agent (the "Administrative Agent") for certain financial institutions party thereto as lenders (the "Lenders"), under which the Lenders will provide to Emergent, as borrower, credit facilities of up to \$225 million, consisting of a revolving credit facility of up to \$100 million and a term loan facility of up to \$125 million.

Under the Credit Agreement, the Lenders will make advances under the revolving credit facility through December 11, 2018 (or such earlier date to the extent required by the terms of the Credit Agreement) based on periodic requests from Emergent. Loans under the term loan facility shall be drawn in full (in a single draw) on or prior to March 31, 2014. Emergent has borrowed \$62 million under the revolving credit facility primarily to repay obligations under existing loan agreements. Emergent is required to make quarterly payments under the Credit Agreement of (1) outstanding principal of the term loan based on the amortization schedule set forth in the Credit Agreement and (2) accrued and unpaid interest on outstanding revolving and term loans, in each case, based on interest rates available to Emergent under the Credit Agreement, such rates being calculated using conventional base or LIBOR interest rates, in each case, plus a margin over such interest rates. The actual interest rates will vary based on the level of such underlying conventional base or LIBOR interest rates and the margin over such rates determined by reference to the leverage of Emergent and its subsidiaries, on a consolidated basis, from quarter to quarter. Emergent's payment obligations under the Credit Agreement are secured by a lien on substantially all of the assets of Emergent and the Guarantors including mortgages over certain of their real properties. Upon the occurrence and continuance of an event of default under the Credit Agreement, the commitments of the Lenders to make loans thereunder may be terminated (except that commitments to make the term loan may only be terminated upon the occurrence and continuance of certain specified defaults) and the payment obligations under the Credit Agreement may be accelerated. The events of default under the Credit Agreement include, among others, subject in some cases to specified cure periods, payment defaults; inaccuracy of representations and warranties in any material respect; defaults in the observance or performance of covenants; bankruptcy and insolvency related defaults; the entry of a final judgment in excess of a threshold amount; change of control; and the invalidity of loan documents relating to the Credit Agreement. The Credit Agreement contains affirmative and negative covenants customary for financings of this type. Negative covenants in the Credit Agreement, among other things, limit the ability of Emergent to incur indebtedness and liens; dispose of assets; make investments including loans, advances or guarantees; and enter into certain mergers or similar transactions. The Credit Agreement also contains financial covenants including as of the closing date of the Credit Agreement (1) a minimum consolidated debt service coverage ratio of 2.50 to 1.00, (2) a maximum consolidated leverage ratio of 3.50 to 1.00, (3) a maximum consolidated senior leverage ratio of 2.00 to 1.00 (when the term loan is not outstanding) and (4) a minimum liquidity requirement of \$50,000,000. Each of the ratios referred to in the foregoing clauses (1) through (3) is calculated on a consolidated basis for each consecutive four fiscal quarter period.

The foregoing description of the Credit Agreement does not purport to be a complete description and is qualified in its entirety by reference to the full text of the Credit Agreement, which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 above with respect to the Credit Agreement is incorporated by reference in this Item 2.03 in its entirety.

Item 7.01. Regulation FD Disclosure.

On December 11, 2013, Emergent issued a press release announcing the execution of the Arrangement Agreement. A copy of the press release is attached hereto as Exhibit 99.1.

On December 11, 2013, Emergent posted on its website a presentation for investors and a fact sheet with respect to the acquisition of Cangene. A copy of the presentation for investors and the fact sheet are attached hereto as Exhibit 99.2 and Exhibit 99.3.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Number	Exhibit
2	Arrangement Agreement, dated as of December 11, 2013, among Emergent BioSolutions Inc., 2396638 Ontario Inc. and Cangene Corporation.*
10.1	Credit Agreement, dated as of December 11, 2013, among Emergent BioSolutions Inc., as borrower, certain of its subsidiaries party thereto, as guarantors, Bank of America, N.A., as administrative agent, and certain financial institutions party thereto as lenders.
10.2	Voting Support Agreement, dated as of December 11, 2013, among Emergent BioSolutions Inc., 2396638 Ontario Inc. and Apotex Inc.
10.3	Voting Support Agreement, dated as of December 11, 2013, among Emergent BioSolutions Inc., 2396638 Ontario Inc. and Apotex Holdings Inc.
10.4	Voting Support Agreement, dated as of December 11, 2013, among Emergent BioSolutions Inc., 2396638 Ontario Inc. and Sherman Foundation.
10.5	Voting Support Agreement, dated as of December 11, 2013, among Emergent BioSolutions Inc., 2396638 Ontario Inc. and Apotex Foundation.
10.6	Voting Support Agreement, dated as of December 11, 2013, among Emergent BioSolutions Inc., 2396638 Ontario Inc. and Bernard C. Sherman.
10.7	Voting Support Agreement, dated as of December 11, 2013, among Emergent BioSolutions Inc., 2396638 Ontario Inc. and R. Craig Baxter.
10.8	Voting Support Agreement, dated as of December 11, 2013, among Emergent BioSolutions Inc., 2396638 Ontario Inc. and Jeremy B. Desai.
10.9	Voting Support Agreement, dated as of December 11, 2013, among Emergent BioSolutions Inc., 2396638 Ontario Inc. and Jack Kay.
99.1	Press Release, dated December 11, 2013.
99.2	Presentation for investors, dated December 11, 2013.
99.3	Fact Sheet, dated December 11, 2013.

* Exhibits and schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Emergent will furnish omitted exhibits and schedules to the Securities and Exchange Commission upon request.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 11, 2013

EMERGENT BIOSOLUTIONS INC.

By: /s/ Robert G. Kramer
Robert G. Kramer
Executive Vice President and Chief Financial Officer

EMERGENT BIOSOLUTIONS TO ACQUIRE CANGENE CORPORATION

- **Solidifies leadership position in growing biodefense market with 3 additional US government procured therapeutics**
- **Advances Biosciences Division toward profitability through significant commercial product and service revenue**
- **Broadens manufacturing capabilities with revenue generating fill/finish business**
- **Expected to be accretive in 2014, exclusive of transaction-related costs**
- **Plan to fund acquisition through existing cash resources and new bank facility**

ROCKVILLE, Maryland—December 11, 2013—Emergent BioSolutions Inc. (NYSE: EBS) announced today that it has entered into a definitive agreement with Cangene Corporation (TSX: CNJ) under which Emergent will acquire all of the outstanding common shares of Cangene in an all-cash transaction valued at \$3.24 per share on a fully diluted basis for an aggregate purchase price of \$222 million. The transaction is consistent with Emergent's growth plan in that it diversifies the company's revenue mix, adds commercial product sales and contributes to earnings growth. The transaction is expected to be accretive in 2014, exclusive of transaction-related costs.

The Boards of Directors of both companies have approved the transaction. Agreements are in place with shareholders who collectively control, directly or indirectly, approximately 61% of the outstanding common shares of Cangene, under which they have agreed to irrevocably support and vote in favor of the transaction. The companies expect to complete the transaction in the first calendar quarter of 2014.

"The acquisition of Cangene is consistent with our stated growth plan to acquire revenue generating products that leverage our core capabilities," said Daniel J. Abdun-Nabi, president and chief executive officer of Emergent BioSolutions. "The addition of Cangene is expected to accelerate our growth driven by a substantially expanded biodefense franchise, a portfolio of approved specialty therapeutics sold through an established commercial infrastructure, and fill/finish manufacturing capabilities with growing contract revenues. The combined company presents a clearly attractive financial profile with pro forma total revenues of over \$430 million and pre-tax operating income of approximately \$55 million. This acquisition represents an important step in advancing Emergent's leadership in specialty pharmaceuticals and positions us to drive significant growth in shareholder value."

Cangene Corporation is a biopharmaceutical company focused on the development and commercialization of specialty therapeutics, primarily targeting biodefense applications as well as infectious disease, hematology and transplantation. Cangene has three specialty products that are included in the U.S. Strategic National Stockpile: BAT® (Botulism Antitoxin (Equine) Heptavalent), VIGIV® (Vaccinia Immune Globulin Intravenous (Human)), and AIGIV (Anthrax Immune Globulin Intravenous). Cangene also has four approved commercial specialty products: WinRho® SDF (Rho(D) Immune Globulin Intravenous (Human)), HepaGam B® (Hepatitis B Immune Globulin (Human) Injection), VARIZIG® (Varicella Zoster Immune Globulin (Human)), and episil®. Cangene maintains manufacturing and plasma collection facilities in Winnipeg, Manitoba, contract manufacturing facilities in Baltimore, Maryland, and a sales and marketing office in Philadelphia, Pennsylvania.

"This transaction represents an exciting and very promising opportunity for Cangene and delivers significant value to our shareholders," stated John Sedor, president and chief executive officer of Cangene Corporation. "Cangene has a history of success in medical countermeasures while building a growing, profitable product portfolio supported by a strong, focused commercial platform and an established contract manufacturing operation. Our diversified business across biodefense, specialty pharmaceuticals and contract manufacturing is strategically consistent with Emergent's infrastructure and vision for the future. We are confident the Emergent team believes in what we do, in our products, in our people and in our potential. We look forward to building a highly successful future together."

Benefits of the Transaction

Emergent expects that the transaction will provide the following benefits:

1. Solidifies leadership position in growing biodefense market with 3 additional US government procured therapeutics

- Cangene's biodefense business consists of three medical countermeasures targeting botulinum, smallpox and anthrax, and each with an existing multi-year US government contract.
 - o BAT® (Botulism Antitoxin (Equine) Heptavalent) — the only FDA-licensed therapeutic for the treatment of symptomatic botulism following suspected or documented exposure to the botulinum neurotoxin serotypes A, B, C, D, E, F or G.
 - o VIGIV® (Vaccinia Immune Globulin Intravenous (Human)) — an FDA-licensed therapeutic for the treatment of complications due to smallpox vaccination, including eczema vaccinatum, progressive vaccinia, severe generalized vaccinia, vaccinia infections in individuals who have skin conditions, and aberrant infections induced by vaccinia virus, except in cases of isolated keratitis.
 - o AIGIV (Anthrax Immune Globulin Intravenous) — an investigational therapeutic designed for the treatment of toxemia associated with symptomatic inhalational anthrax.
- Cangene's biodefense revenue for its fiscal year ended July 31, 2013 was approximately \$50 million.

2. Advances Biosciences Division towards profitability through significant commercial product and service revenue

- Cangene's commercial product portfolio consists of four FDA-licensed, hospital-based specialty therapeutics targeting infectious diseases, hematology and transplantation and sold worldwide through an established commercial infrastructure.
 - o WinRho® SDF (Rho(D) Immune Globulin Intravenous (Human)) — a therapeutic for the treatment of immune thrombocytopenia purpura (ITP) in Rh_o(D)-positive patients and for the suppression of Rh isoimmunization in non-sensitized Rh_o(D)-negative patients, otherwise known as hemolytic disease of the newborn (HDN).
 - o HepaGam B® (Hepatitis B Immune Globulin (Human) Injection) — an immune globulin for the prevention of Hepatitis B recurrence following liver transplant in HBsAg-positive liver transplant patients and post-exposure prophylaxis in the following settings: acute exposure to HBsAg-positive blood, plasma, or serum, perinatal exposure of infants born to HBsAg-positive mothers, sexual exposure to HBsAg-positive persons, and household exposure to persons with acute HBV infection.
 - o VARIZIG® (Varicella Zoster Immune Globulin (Human)) — a post-exposure prophylaxis of varicella in high-risk individuals intended to reduce the severity of chickenpox infections.
 - o episil® — a medical device for the management and relief of pain associated with oral lesions of various etiologies, including oral mucositis/stomatitis, which may be caused by chemotherapy or radiotherapy.
- Cangene's commercial product revenue for its fiscal year ended July 31, 2013 was approximately \$44 million.

3. Broadens manufacturing capabilities with revenue generating fill/finish business

- Cangene's contract manufacturing operations provide fill/finish services supporting over 20 approved products sold worldwide.
- Cangene's contract manufacturing revenue for its fiscal year ended July 31, 2013 was approximately \$33 million.

4. Attractive financial profile of combined company

- Pro forma total revenues of approximately \$436 million and operating income of approximately \$55 million, calculated based on Cangene's FY 2013 results and the trailing twelve month period of September 30, 2013 for Emergent.
- Diversified revenues in both the Biosciences and Biodefense Divisions with attractive gross margins.

Financing

In connection with the transaction, Emergent has secured committed debt financing from Bank of America Merrill Lynch along with PNC Bank and J.P. Morgan Chase Bank, N.A., totaling \$225 million, which, when combined with existing cash reserves, will be used to finance the acquisition and repay existing indebtedness. The company also anticipates there will be approximately \$35 million of cash from Cangene at closing.

Transaction Structure and Approvals

The transaction is structured as a Canadian court-approved plan of arrangement. Completion of the transaction is subject to approval by 66 2/3% of the votes cast by Cangene shareholders, approval by the Ontario Superior Court of Justice, certain regulatory approvals and customary closing conditions. Agreements are in place with shareholders who collectively control directly or indirectly approximately 61% of the outstanding common shares of Cangene, under which they have agreed to irrevocably support and vote in favor of the transaction.

Guidance

Taking into account the expected closing date of Q1 2014, the company is reaffirming its full year 2013 GAAP guidance for total revenues of \$300 to \$310 million and net income of \$25 to \$30 million. Excluding approximately \$7 million in estimated transaction-related and other costs incurred in the current year, the company is providing a forecast for 2013 non-GAAP adjusted net income of \$30 to \$35 million (see "Non-GAAP Financial Measures" for a definition of terms and a reconciliation of Non-GAAP adjusted net income to GAAP net income).

The Company expects that the transaction will be accretive for 2014 and beyond, assuming a Q1 2014 close. The company anticipates:

- revenue contribution of \$90 to \$100 million for the partial year period of 2014 with a compound annual growth rate of 4% to 6% over the following three year period (2015-2018); and
- pre-tax operating margin contribution of 4% to 6%, exclusive of transaction-related costs, for the partial year period of 2014, improving to a target of 15% over the following three year period (2015-2018).

Non-GAAP Financial Measures

This press release contains a financial measure, adjusted net income, which is considered a "non-GAAP" financial measure under applicable Securities & Exchange Commission rules and regulations. This non-GAAP financial measure should be considered supplemental to and not a substitute for financial information prepared in accordance with generally accepted accounting principles. The company's definition of this non-GAAP measure may differ from similarly titled measures used by others. The non-GAAP financial measure used in this press release adjusts for specified items that can be highly variable or difficult to predict. The company views this non-GAAP financial measure as a means to facilitate management's financial and operational decision-making, including evaluation of Emergent's historical operating results and comparison to competitors' operating results. This non-GAAP financial measure reflects an additional way of viewing aspects of the company's operations that, when viewed with GAAP results and the reconciliations to the corresponding GAAP financial measure, may provide a more complete understanding of factors and trends affecting Emergent's business.

The determination of the amounts that are excluded from this non-GAAP financial measure is a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts. The company is likely to exclude the following items from its non-GAAP adjusted net income in the future, the effect of which is uncertain but may be significant in amount:

- Expenses related to completed and future acquisitions of other businesses, including amortization of acquired intangible and tangible assets, and transaction costs;
- Expenses associated with any potential restructuring activities, including but not limited to, asset impairments, accelerated depreciation, severance costs and lease abandonment charges; and
- Other one-time or non-recurring charges.

Because non-GAAP financial measures exclude the effect of items that will increase or decrease the company's reported results of operations, management strongly encourages investors to review the company's consolidated financial statements and publicly filed reports in their entirety. A reconciliation of the non-GAAP financial measure to the most directly comparable GAAP financial measure is included in the following table.

<i>(in millions)</i>	Financial Guidance for the Year Ended December 31, 2013
GAAP Net Income	\$25 to \$30
Adjustments:	
·Cangene transaction-related costs	3.4
·HPPD transaction-related costs	0.8
·UK restructuring expense	2.8
·Adjusted income tax expense	(2.1)
Non-GAAP Adjusted Net Income	\$30 to \$35

Advisors

For Emergent, Bank of America Merrill Lynch is acting as financial advisor and DLA Piper and McCarthy Tétrault LLP are acting as legal advisors. For Cangene, Credit Suisse is acting as financial advisor, Raymond James Ltd. provided a fairness opinion and Miller Thomson LLP and Baker & Hostetler LLP are acting as legal advisors.

Conference Call and Webcast

Wednesday, December 11, 2013 at 6:45 PM Eastern
U.S./Canada Attendee Dial-in: 866/318-8611
International Attendee Dial-in: 617/399-5130
Attendee Passcode: 96576658

CALL WILL ALSO BE BROADCAST LIVE, LISTEN ONLY, VIA THE WEB
WITH ACCOMPANYING SLIDES AT:

www.emergentbiosolutions.com
No Password Required

Replay will be available for 90 days at www.emergentbiosolutions.com

IMPORTANT SAFETY INFORMATION

Important Information about BAT® -- Botulism Antitoxin (Equine), Heptavalent (A, B, C, D, E, F, G) (See full prescribing information)

The effectiveness of BAT is based solely on efficacy studies conducted in animal models of botulism.

Animal reproduction studies have not been conducted with BAT. It is not known whether BAT can cause fetal harm when administered to a pregnant woman or can affect reproductive capacity. BAT should only be given to pregnant women if the benefits outweigh the risks.

The effectiveness of BAT has not been established in pediatric patients. Limited pediatric safety data are available. Dosing in pediatric patients is based on Salisbury Rule.

Product Insert: <http://www.winrho.com/pi.pdf>

Important Information about VIGIV® -- CNJ-016, Vaccinia Immune Globulin Intravenous™ (Human), (See full prescribing information for complete boxed warning)

WARNING: INTERACTIONS WITH GLUCOSE MONITORING SYSTEMS

Blood glucose measurement in patients receiving Vaccinia Immune Globulin Intravenous (Human) (VIGIV) must be done with a glucose-specific method (monitor and test strips) to avoid interference by maltose contained in VIGIV. Maltose in IGIV products may give falsely high blood glucose levels in certain types of blood glucose testing systems (for example those based on the GDH-PQQ or glucose-dye-oxidoreductase methods) resulting in inappropriate administration of insulin and life-threatening hypoglycemia. Cases of true hypoglycemia may go untreated if the hypoglycemic state is masked by falsely elevated glucose readings.

Carefully review the product information of the blood glucose testing system, including that of the test strips, to determine if the system is appropriate for use with maltose-containing parenteral products [see WARNINGS AND PRECAUTIONS (5.3)].

VIGIV is not indicated for isolated vaccinia keratitis or postvaccinial encephalitis.

Animal reproduction studies have not been conducted with VIGIV; therefore, it is not known whether VIGIV can cause fetal harm when administered to a pregnant woman or whether it can affect reproduction capacity. The risk/benefit of VIGIV administration should be assessed for each individual case.

Use VIGIV with caution in patients with pre-existing renal insufficiency and in patients at increased risk of developing renal insufficiency.

Product Insert: <http://fda.gov/downloads/BiologicsBloodVaccines/BloodBloodProducts/ApprovedProducts/LicensedProductsBLAs/FractionatedPlasmaProducts/UCM345147.pdf>

Important Information about WinRho® SDF [Rh₀(D) Immune Globulin Intravenous (Human)] (See full prescribing information for complete boxed warning.)

WARNING: INTRAVASCULAR HEMOLYSIS (IVH)

This warning does not apply to Rh₀(D)-negative patients treated for the suppression of Rh isoimmunization.

Intravascular hemolysis (IVH) leading to death has been reported in patients treated with WinRho® SDF for immune thrombocytopenic purpura (ITP).

IVH can lead to clinically compromising anemia and multi-system organ failure including acute respiratory distress syndrome (ARDS).

Serious complications including severe anemia, acute renal insufficiency, renal failure and disseminated intravascular coagulation (DIC) have also been reported.

Closely monitor patients treated with WinRho® SDF for ITP in a healthcare setting for at least eight hours after administration. A dipstick urinalysis to monitor for hematuria and hemoglobinuria is to be performed at baseline and then after administration at 2 hours, 4 hours and prior to the end of the monitoring period. Alert patients and monitor the signs and symptoms of IVH including back pain, shaking chills, fever, and discolored urine or hemoglobinuria. Absence of these signs and/or symptoms of IVH within eight hours do not indicate IVH cannot occur subsequently. If signs and/or symptoms of IVH are present or suspected after WinRho® SDF administration, post-treatment laboratory tests should be performed including plasma hemoglobin, haptoglobin, LDH, and plasma bilirubin (direct and indirect).

The safety and efficacy of WinRho® SDF have not been evaluated in clinical trials for patients with non-ITP causes of thrombocytopenia or in previously splenectomized patients or in patients who are Rh₀(D)-negative.

WinRho® SDF is not indicated for use as immunoglobulin replacement therapy for immune globulin deficiency syndromes.

Animal reproduction studies have not been conducted with WinRho® SDF. It is also not known whether WinRho® SDF can cause fetal harm when administered to a pregnant woman or can affect reproductive capacity. WinRho® SDF should be given to a pregnant woman only if clearly needed.

Product Insert: <http://www.winrho.com/pi.pdf>

Website: <http://www.winrho.com/>

Important Information about HepaGam B® [Hepatitis B Immune Globulin Intravenous (Human)] (See full prescribing information)

Animal reproduction studies have not been conducted with HepaGam B. It is also not known whether HepaGam B can cause fetal harm when administered to a pregnant woman or can affect reproductive capacity. HepaGam B should be given to a pregnant woman only if clearly indicated.

It is not known whether HepaGam B is excreted in human milk. Because many drugs are excreted in human milk, caution should be exercised when HepaGam B is administered to a nursing mother.

Product Insert: <http://www.hepagamb.com/pdf/HepaGamBPI.pdf>

Website: <http://www.hepagamb.com/>

Important Information about VARIZIG® [Varicella Zoster Immune Globulin (Human)] (See full prescribing information)

VARIZIG is indicated for post-exposure prophylaxis of varicella in high risk individuals. High risk groups include: immunocompromised children and adults, newborns of mothers with varicella shortly before or after delivery, premature infants, neonates and infants less than one year of age, adults without evidence of immunity, and pregnant women.

Administer VARIZIG as soon as possible following varicella zoster virus (VZV) exposure, ideally within 96 hours for greatest effectiveness. There is no convincing evidence that VARIZIG reduces the incidence of chickenpox infection after exposure to VZV. There is no convincing evidence that established infections with VZV can be modified by VARIZIG administration. There is no indication for the prophylactic use of VARIZIG in immunodeficient children or adults when there is a past history of varicella, unless the patient is undergoing bone marrow transplantation.

Animal reproduction studies have not been conducted with VARIZIG. It also is not known whether VARIZIG can cause fetal harm when administered to a pregnant woman or can affect reproduction capacity. VARIZIG should be given to a pregnant woman only if clearly needed.

It is not known whether VARIZIG is excreted in human milk. Because many drugs are excreted in human milk, caution should be exercised when VARIZIG is administered to a nursing mother.

Product Insert: http://www.varizig.com/VariZig_prescribing_information_Jan2013.pdf
Website: <http://www.varizig.com/>

About episil®

Do not use episil if you are allergic (hypersensitive) to any of the ingredients, to peanuts or soya, or to peppermint oil.

Product Insert: <http://www.episilusa.com/pdfs/episil-prescribing-information.pdf>
Website: <http://www.episilusa.com/>

About Emergent BioSolutions Inc.

Emergent BioSolutions is a specialty pharmaceutical company seeking to protect and enhance life by offering specialized products to healthcare providers and governments to address medical needs and emerging health threats. Additional information about the company may be found at www.emergentbiosolutions.com.

Follow us on twitter: [@emergentbiosolu](https://twitter.com/emergentbiosolu)

Emergent BioSolutions Safe Harbor Statement

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements, other than statements of historical fact, including statements regarding the expected closing of the transaction, the potential opportunities and financial impact of the transaction, our financial guidance, and any other statements containing the words "believes", "expects", "anticipates", "intends", "plans", "forecasts", "estimates" and similar expressions, are forward-looking statements. These forward-looking statements are based on our current intentions, beliefs and expectations regarding future events. We cannot guarantee that any forward-looking statement will be accurate. Investors should realize that if underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could differ materially from our expectations. Investors are, therefore, cautioned not to place undue reliance on any forward-looking statement. Any forward-looking statement speaks only as of the date of this press release, and, except as required by law, we do not undertake to update any forward-looking statement to reflect new information, events or circumstances.

There are a number of important factors that could cause the company's actual results to differ materially from those indicated by such forward-looking statements, including uncertainties as to the satisfaction of closing conditions with respect to the transaction, including the timing and receipt of Cangene shareholder, Canadian court and regulatory approvals; our ability to successfully integrate the business and realize the potential benefits of the transaction; appropriations for BioThrax® procurement; our ability to successfully integrate the recent acquisition of the HPPD business and realize the benefits of the HPPD transaction; our ability to obtain new BioThrax sales contracts or modifications to existing contracts; our plans to pursue label expansions and improvements for BioThrax; availability of funding for our U.S. government grants and contracts; our ability to identify and acquire or in-license products or late-stage product candidates that satisfy our selection criteria; whether anticipated synergies and benefits from an acquisition or in-license are realized within expected time periods or at all; our ability to enter into selective collaboration arrangements; our ability to expand our manufacturing facilities and capabilities; the rate and degree of market acceptance and clinical utility of our products; the success of our ongoing and planned development programs; the timing of and our ability to obtain and maintain regulatory approvals for our product candidates; and our commercialization, marketing and manufacturing capabilities and strategy. The foregoing sets forth many, but not all, of the factors that could cause actual results to differ from our expectations in any forward-looking statement. Investors should consider this cautionary statement, as well as the risk factors identified in our periodic reports filed with the SEC, when evaluating our forward-looking statements.

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EMERGENT BIOSOLUTIONS INC.

-AND-

2396638 ONTARIO INC.

-AND-

CANGENE CORPORATION

ARRANGEMENT AGREEMENT

December 11, 2013

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ARRANGEMENT AGREEMENT

THIS AGREEMENT is made this 11th day of December, 2013 (this "Agreement").

AMONG:

CANGENE CORPORATION, a corporation amalgamated under the laws of Ontario, ("Company"),

– and –

2396638 ONTARIO INC., a corporation incorporated under the laws of Ontario, ("Buyer"),

– and –

EMERGENT BIOSOLUTIONS INC., a corporation incorporated under the laws of Delaware, ("Parent")

WHEREAS:

- A. The authorized capital of Company consists of an unlimited number of common shares, of which 66,746,870 Common Shares were issued and outstanding as of the close of business on December 10, 2013 as fully paid and non-assessable;
- B. There are no options, warrants or other securities outstanding that require the issue or sale of any securities of Company, other than the Options to acquire an aggregate of 1,709,302 Common Shares outstanding as of the close of business on December 10, 2013;
- C. Buyer proposes to acquire all of the Common Shares including Common Shares issued upon exercise of the Options described in recital B to this Agreement pursuant to the Arrangement as provided for in this Agreement for the aggregate Consideration contemplated herein;
- D. Contemporaneously herewith, Parent and Buyer have entered into a voting support agreement (the "Voting Support Agreement") with certain holders of Common Shares (the "Locked-Up Shareholders") pursuant to which, among other things, Buyer has agreed to take all steps required of it to cause the Arrangement to occur and the Locked-Up Shareholders have agreed to vote in support of the Arrangement all of the Common Shares held or hereafter acquired by them, all on the terms and subject to the conditions set forth in the Voting Support Agreement; and
- E. The board of directors of Company, after receiving the Fairness Opinion and legal advice and after considering other factors, has unanimously determined that it is in the best interests of Company to enter into this Agreement, to support and implement the Transactions and for the board of directors of Company to recommend that Shareholders vote in favour of the Arrangement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set out in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Company, Parent and Buyer agree that:

ARTICLE 1 - INTERPRETATION

1.1 Definitions

In this Agreement, unless otherwise defined or expressly stated herein or something in the subject matter or the context is clearly inconsistent therewith:

- (1) "Accrued Liabilities" means ordinarily recurring operating expenses of Company and its Subsidiaries incurred as of the Effective Time but which are not yet due and payable as of the Effective Time.
- (2) "Acquisition Proposal" means any proposal or offer with respect to any transaction (by purchase, merger, amalgamation, arrangement, business combination, liquidation, dissolution, recapitalization, take-over bid or otherwise) that would result in any person (or group of persons) other than Parent and its Subsidiaries acquiring (a) assets of Company and/or its Subsidiaries that represent 20% or more of the consolidated assets of Company, or which collectively produce 20% or more of the consolidated revenue of Company and its Subsidiaries, as at July 31, 2013, or (b) 20% or more of the equity (or rights thereto) of Company or any of its Subsidiaries (provided that, for purposes of Section 9.1(c), paragraphs (a) and (b) of the definition of "Acquisition Proposal" shall be read as follows: "(a) assets of Company and/or its Subsidiaries that constitute more than 50% of the consolidated assets of Company or any of its Subsidiaries; or (b) more than 50% of the equity (or rights thereto) of Company or any of its Subsidiaries").
- (3) "Act" or the "OBCA" means the Business Corporations Act (Ontario), as amended.
- (4) "affiliate" has the meaning corresponding to "affiliated companies" in the Securities Act (Ontario), as amended.
- (5) "Agency" means any domestic or foreign court, tribunal, federal, state, provincial or local government or governmental or quasi-governmental agency, department or authority or other regulatory authority (including (a) the TSX, and (b) any Health Agency) or administrative agency or commission (including the Securities Commissions) or any elected or appointed public official, in each case having jurisdiction over either of Company, any of its Subsidiaries, any of the Company Products, or over Parent.
- (6) "Agreement" has the meaning set out in the preamble to this Agreement.
- (7) "Alternative Transaction" means any Acquisition Proposal made by any person other than Parent or Buyer or any other affiliate of Parent.
- (8) "Antitrust Laws" means any and all United States (federal or state), Canadian or other foreign statutes, rules, regulations, orders, decrees, administrative and judicial doctrines and other Laws, including any antitrust, competition or trade regulation Laws, that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening competition through merger or acquisition.
- (9) "Apotex Group" means Apotex Inc., Apotex Holdings Inc., Sherman Foundation, Apotex Foundation and Barry Sherman.
- (10) "Apotex Plan" has the meaning set out in Section 10.5(b).
- (11) "Arrangement" means an arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with this Agreement (including the Plan of Arrangement) or made at the direction of the Court.
- (12) "Assigned Contracts" has the meaning set out in Section (II)(vi) of Schedule E.
- (13) "Authorized Capital" has the meaning set out in Section (c) of Schedule E.
- (14) "Business" means the business of Company and its Subsidiaries as currently conducted.
- (15) "business day" or "Business Day" means any day other than a Saturday, Sunday, a public holiday or a day on which commercial banks are not open for business in Winnipeg, Manitoba, Toronto, Ontario or Rockville, Maryland under applicable Law.
- (16) "Business Personnel" has the meaning set out in Section (r)(iii) of Schedule E.
- (17) "Buyer" means 2396638 Ontario Inc.

- (18) "**CDSA**" means the Controlled Drugs and Substances Act, SC 1996, c 19, as amended.
- (19) "**Cessation Date**" has the meaning set out in Section 10.5(b).
- (20) "**Change of Recommendation**" has the meaning set out in Section 7.5.
- (21) "**Code**" means the United States Internal Revenue Code of 1986, as amended.
- (22) "**Common Shares**" means the common shares in the capital of Company.
- (23) "**Company**" means Cangene Corporation, a corporation amalgamated under the laws of Ontario.
- (24) "**Company Circular**" means the notice of special meeting and accompanying management information circular of Company, including all appendices thereto, to be sent to Shareholders in connection with the Special Meeting.
- (25) "**Company Disclosure Statement**" means the statement delivered by Company to Parent concurrently with the execution of this Agreement.
- (26) "**Company Expenses**" has the meaning set forth in Section 9.2(b).
- (27) "**Company Intellectual Property**" has the meaning set forth in Section (q)(i) of Schedule E.
- (28) "**Company Permits**" has the meaning set forth in Section (j)(i) of Schedule E.
- (29) "**Company Plans**" has the meaning set out in Section (s)(i) of Schedule E.
- (30) "**Company Products**" means all products that are being researched, tested, developed, commercialized, manufactured, sold or distributed by Company or any of its Subsidiaries, and all products with respect to which Company or any of its Subsidiaries owns licenses to distribute, as set forth in Schedule 1.1(29); Provided, however, that Parent and Buyer acknowledge and agree that the Company Product episil® is licensed to Company and manufactured for Company a third party, and that the applicable Regulatory Approvals for episil® have been obtained and are owned by such third party. Accordingly, any and all representations and warranties made by Company in this Agreement relating to the development of, Regulatory Approvals for, and the manufacture of, episil® as a Company Product are made only to the knowledge of Company, notwithstanding any provision herein to the contrary.
- (31) "**Company Property**" has the meaning set out in Section (z) of Schedule E.
- (32) "**Company Public Disclosure Documents**" has the meaning set out in Section (e) of Schedule E.
- (33) "**Competition Act**" means the Competition Act (Canada), as amended, including the regulations promulgated thereunder.
- (34) "**Confidentiality Agreement**" means (a) the confidentiality agreement dated August 27, 2012 between Company and Parent and (b) that certain Clean Team and Confidentiality Agreement dated November 1, 2013 between Company and Parent governing the sharing of certain sensitive information of Company.
- (35) "**Consents and Approvals**" has the meaning set out in Section (d)(i) of Schedule E.
- (36) "**Consideration**" means the cash amount per Common Share calculated by dividing \$222,000,000 by the number of outstanding Common Shares as at the Effective Date. Based upon there being 68,456,172 Common Shares outstanding on the Effective Date (after exercise of all outstanding Stock Options), the Consideration will be \$3.24.
- (37) "**Continuing Company Employee**" has the meaning set out in Section 10.6(a).
- (38) "**Contract**" means any contract, royalty, instrument, permit, franchise, license, loan or credit agreement, note, bond, mortgage, indenture, lease or other property agreement, partnership or joint venture agreement or other legally binding agreement, arrangement or understanding whether oral or written.
- (39) "**Contract Disputes Act**" means the Contract Disputes Act of 1978 (41 U.S.C. § 7101-7109), which establishes the procedures to be used by contractors and contracting officers in resolving disputes.
- (40) "**Court**" means the Ontario Superior Court of Justice (Commercial List).
- (41) "**CRA**" means the Canada Revenue Agency.
- (42) "**CTA**" means a clinical trial application.
- (43) "**Curable Matters**" has the meaning set out in Section 8.1(c).
- (44) "**Data Regulations**" has the meaning set out in Section (ll)(xiv) of Schedule E.
- (45) "**Data Room Information**" means the documents relating to Company and its Subsidiaries provided by or on behalf of Company (including documents posted on the electronic data site) to Parent or its counsel on or before the execution of this Agreement but excluding financial projections and financial forecasts.
- (46) "**DEA**" means the United States Drug Enforcement Administration.
- (47) "**Debt Financing**" has the meaning set out in Section 6.3(b).
- (48) "**Depository**" has the meaning set out in Section 5.9.
- (49) "**DFARS**" means the United States Defense Federal Acquisition Regulation Supplement and applicable supplements.
- (50) "**Director**" means the Director appointed pursuant to Section 278 of the OBCA.
- (51) "**Disclosed Personal Information**" has the meaning set out in Section 11.13(b).
- (52) "**Effective Date**" means the date on or before the Outside Date on which the Arrangement becomes effective in accordance with the OBCA and the Final Order.

- (53) **"Effective Time"** means the time on the Effective Date that the Arrangement becomes effective in accordance with its terms.
- (54) **"EMA"** means the European Medicines Agency.
- (55) **"Employee Benefit Plan"** means any employee benefit plan, program, policy, practices or other arrangement providing benefits to any current or former employee, officer, consultant or director of Company or any of its Subsidiaries or any beneficiary or dependent thereof that is sponsored or maintained by Company or any of its Subsidiaries or to which Company or any of its Subsidiaries contributes or is obligated to contribute or with respect to which Company or any of its Subsidiaries may have liabilities, whether or not written, including any employee welfare benefit plan within the meaning of Section 3(1) of ERISA, any employee pension benefit plan within the meaning of Section 3(2) of ERISA (whether or not such plan is subject to ERISA), any medical, health, hospitalization, dental, disability or life insurance plan, any pension plan, whether registered or not under any applicable pension benefits regulation or any tax laws of Canada or a province thereof, group registered retirement savings plan or unregistered savings plan, and any bonus, incentive, deferred compensation, vacation, stock purchase, stock option, severance, employment, change of control or fringe benefit plan, program or agreement.
- (56) **"Employment Agreement"** means a written contract, offer, letter or agreement of Company or of any of its Subsidiaries with or addressed to any individual who is rendering or has rendered services thereto as an employee or consultant pursuant to which Company or any of its Subsidiaries has any actual or contingent liability or obligation to provide compensation and/or benefits in consideration for past, present or future services.
- (57) **"Environmental Laws"** means any applicable federal, state, provincial or local law, common law, statute, ordinance, code, regulation, rule, approval, permit, license, judgment, decree, order, directive, or other legal requirement that pertains to the regulation, protection or preservation of the environment (including ambient air, soil, sediment, surface water, ground water, wetlands, land or subsurface strata), natural resources, public health and safety or worker health and safety as affected by Hazardous Materials, or that pertain to the handling, use, manufacturing, processing, storage, treatment, transportation, discharge, release, emission, disposal, re-use, recycling, or other management of or contact with Hazardous Materials.
- (58) **"Environmental Permit"** means any permit, license, authorization or consent required to be obtained by Company and its Subsidiaries pursuant to applicable Environmental Laws.
- (59) **"ERISA"** means the United States Employee Retirement Income Security Act of 1974, as amended, and the rules promulgated thereunder.
- (60) **"Exclusivity Agreement"** means the exclusivity agreement dated June 18, 2013 between Company and Parent, as amended.
- (61) **"Existing Promotional Materials"** has the meaning set out in Section (cc)(ix) of Schedule E.
- (62) **"Export Control Laws"** has the meaning set out in Section (kk)(i) of Schedule E.
- (63) **"Fairness Opinion"** means the opinion of the Financial Advisor to the board of directors of Company to the effect that, as of the date of the opinion, the consideration received pursuant to the Arrangement is fair to all Shareholders (other than the Apotex Group, Parent and their respective affiliates) from a financial point of view.
- (64) **"FAR"** means the United States Federal Acquisition Regulation and applicable supplements.
- (65) **"FCPA"** means the United States Foreign Corrupt Practices Act of 1977, as amended.
- (66) **"FDA"** means the United States Food and Drug Administration.
- (67) **"FDCA"** means the United States Federal Food, Drug and Cosmetic Act, as amended as of the date of this Agreement.
- (68) **"Federal and State Healthcare Programs"** means all Federal or State sponsored health care programs with which Company and its Subsidiaries are required to comply, including the federal health care programs listed in 42 U.S.C. § 1320a-7b(f), as amended from time to time.
- (69) **"Filed Company Public Disclosure Documents"** has the meaning set out in Section (h) of Schedule E.
- (70) **"Final Order"** means the final order of the Court approving the Arrangement, as such order may be amended by the Court at any time before the Effective Time, or if appealed, unless that appeal is withdrawn or denied, as affirmed or as amended on appeal.
- (71) **"Financial Advisor"** means Raymond James Ltd.
- (72) **"Food and Drugs Act"** means the Canada act respecting food, drugs, cosmetics and therapeutic devices, as amended as of the date of this Agreement.
- (73) **"GAAP"** means Canadian generally accepted accounting principles.
- (74) **"Government Bid"** means any outstanding bid, quotation, proposal or grant application by Company which, if accepted or awarded, would result in a Government Contract.
- (75) **"Government Contract"** means any Contract, including any prime contract, subcontract, contractor team arrangement, joint venture, basic ordering agreement, letter contract, purchase order, delivery order, task order, change order, option or other arrangement of any kind between Company or any of its Subsidiaries and either (a) any Agency, (b) any prime contractor of any Agency or (c) any first tier subcontractor with respect to any contract described in clauses (a) or (b) of this definition, where the ultimate customer is an Agency, that has not been closed by the Agency, such prime contractor or such subcontractor, as appropriate, and is actively being performed by Company or any of its Subsidiaries.
- (76) **"Grant"** means an award of financial assistance in the form of money, or property or services in lieu of money, by a government or public entity to a recipient.
- (77) **"Hazardous Materials"** means any material, chemical, compound, substance, mixture, waste or by-product (regardless of physical form or concentration) that (a) is hazardous, toxic, infectious, explosive, radioactive, carcinogenic, ignitable, corrosive, reactive, or otherwise deleterious to living things or the environment, or (b) is defined, designated, listed, restricted or otherwise regulated under Environmental Laws. The term "Hazardous Materials" shall include any "hazardous substance" as defined, listed, designated or regulated under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq., as amended, any "hazardous waste" or "solid waste" as defined, listed, designated or regulated under Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., as amended, polychlorinated biphenyls (PCBs), toxic mold, lead-based paints, urea-formaldehyde foam insulation, asbestos, and petroleum, petroleum products or by-products (including crude oil or any fraction thereof).
- (78) **"Health Agency"** means Health Canada, the HHS and each and all of its constituent agencies including FDA, EMA, European Commission's Enterprise Directorate General and any other governmental or quasi-governmental body (whether, federal, regional, state, provincial, or local) exercising comparable or similar authority, including any such body, having jurisdiction over Company, its Subsidiaries and their activities or over Parent, its Subsidiaries and their activities, as applicable, including regulating the quality, identity, strength, purity, safety, efficacy, manufacturing, distribution, sale, pricing, price reporting, government or private payment or reimbursement for, rebates related to, and import or export of the Company Products necessary for the lawful operating of the businesses of Company or any of its Subsidiaries as currently conducted, or as expected to be conducted following completion of the Transactions, or the products of Parent necessary for the lawful operating of the business of Parent or any of its Subsidiaries as currently conducted, as applicable and the testing, manufacturing, sale or distribution, as applicable, of each of the Company Products, that are material to the conduct of the business of Company and its Subsidiaries, as such business is currently conducted, or is expected to be conducted following completion of the Transactions, or of each of Parent's products that are material to the conduct of the business of Parent and its Subsidiaries, as such business is currently conducted, as applicable.
- (79) **"HHS"** means the United States Department of Health and Human Services.
- (80) **"Holdco"** means a corporation that satisfies the requirements set forth in Section 2.5 of the Plan of Arrangement.

- (81) "**Holdco Agreement**" means a share purchase agreement, in the form approved by Parent, acting reasonably, to be entered into between Parent, Buyer, a Holdco and all of the Holdco Shareholders of such Holdco, providing for the transfer of all of the issued and outstanding Holdco Shares of such Holdco to Buyer in accordance with the Plan of Arrangement and containing (a) the terms and conditions set forth in Section 2.5 of the Plan of Arrangement; (b) such representations and warranties, terms and conditions and indemnities as Parent and Buyer may reasonably request; and (c) the requirement for such Holdco Shareholder to arrange for the provision of an opinion of legal counsel to such Holdco in form satisfactory to Parent, acting reasonably, in connection with the transfer of such Holdco Shares, based on customary certificates of officers of such Holdco and assumptions, to the effect that: (v) the Holdco is a subsisting corporation or equivalent under its governing laws; (w) the Holdco Shareholders are the registered holders of all outstanding shares of the Holdco based solely on the registers of the Holdco; (x) all necessary corporate action has been taken by the Holdco to authorize the execution, delivery and performance of the share purchase agreement; (y) the execution, delivery and performance of the share purchase agreement by the Holdco does not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of all currently effective articles and by-laws or other organizational documents of the Holdco; (z) and the share purchase agreement constitutes a legal, valid and binding obligation of the Holdco enforceable against the Holdco in accordance with its terms.
- (82) "**Holdco Shareholder**" means a holder of Holdco Shares.
- (83) "**Holdco Shares**" means the common shares of a Holdco.
- (84) "**HSR Act**" means the United States Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended.
- (85) "**HSR Approval**" means any waiting period, and any extension thereof, under the HSR Act applicable to the Transactions shall have expired or shall have early terminated.
- (86) "**IFRS**" means International Financial Reporting Standards.
- (87) "**including**" means "including without limitation" and "**includes**" means "includes without limitation", unless limitation is specified.
- (88) "**Inconsequential Inaccuracy**" means any one or more inaccuracies in the representations and warranties of Company in (a) Schedule E or (b) in any other provision of this Agreement (in each case, without giving effect to, applying to, or taking into consideration any materiality qualification contained in such representations and warranties) that, either individually or in the aggregate with all other inaccuracies in such representations and warranties, is not, and could not be, or would not reasonably be expected to be, Materially Adverse.
- (89) "**IND**" means an investigational new drug application, as defined at 21 C.F.R. Part 312.
- (90) "**Indemnified Persons**" has the meaning set out in Section 10.1.
- (91) "**Intellectual Property**" means all of the following in all jurisdictions worldwide: Patents, rights of copyrights (including the rights to copy, modify, create derivative works, and distribute), works of authorship fixed in any tangible medium of expression and in any medium, whether or not copyrightable, database rights, know-how, including manufacturing know-how, Trade Secrets, Marks, any registrations or applications with respect to any of the foregoing, any other intellectual property rights, and any rights under or with respect to any of the foregoing any such applications that are in fact filed, the right to file applications to register copyrights in copyrightable works that have been created in whole or part as of the date of this Agreement, and any such applications that are in fact filed.
- (92) "**Interim Order**" means an interim order of the Court, as may be amended, providing for, among other things, the calling and holding of the Special Meeting.
- (93) "**ITA**" means the Income Tax Act (Canada), as amended.
- (94) "**ITAR**" means International Traffic in Arms Regulations, 22 C.F.R. Parts 120-130.
- (95) "**Law**" means all laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, protocols, codes, guidelines, policies, notices, directions and judgements or other requirements of any nation, state, other government entity or Agency.
- (96) "**Leased Real Property**" has the meaning set out in Section (n)(ii) of Schedule E.
- (97) "**Liens**" has the meaning set out in Section (b) of Schedule E.
- (98) "**Locked-Up Shareholders**" has the meaning set out in recital D to this Agreement.
- (99) "**Marks**" means trademarks, service marks, trade dress, domain names, corporate names, fictitious or assumed names, and others indicators of source, origin, sponsorship, certification or endorsement worldwide, and all goodwill in and to all of the foregoing, as well as any other indicators of origin, sponsorship, certification or endorsement.
- (100) "**Material Contract**" has the meaning set out in Section (l) of Schedule E.
- (101) "**Materially Adverse**" means a fact, circumstance, change, effect, occurrence, event or state of facts that, individually or in the aggregate, would or could reasonably be expected to (a) materially and adversely affect the financial condition, operations, results of operations, business, assets or capital of Company and its Subsidiaries, taken as a whole, (b) prevent or impair (i) Company or any of its Subsidiaries from performing its material obligations under this Agreement, the Transactions or any other agreement contemplated hereby or thereby, or (ii) Company's ability to consummate the Transactions; provided that, except as hereinafter set forth in this definition, no fact, circumstance, change, effect, occurrence, event or state of facts relating to any of the following, individually or in the aggregate, shall be considered Materially Adverse, solely as contemplated in (a) above, (or be taken into account in determining whether a fact, circumstance, change, effect, occurrence, event or state of facts is Materially Adverse, solely as contemplated in (a) above):
- (i) general political, economic or financial conditions in North America or elsewhere;
 - (ii) the state of (including any changes in) credit, banking, currency or capital markets generally in Canada, the United States, Europe or elsewhere (including the failure of any financial institution, whether or not Company has credit arrangements or other business dealings with such financial institution, or the imposition of any limitation (whether or not mandatory) by any Agency on the extension of credit generally by financial institutions);
 - (iii) any changes in currency exchange rates, interest rates, monetary policy or inflation;
 - (iv) any change in the trading price or trading volume of Common Shares;
 - (v) conditions generally affecting any of the pharmaceutical, biologics or medical device industries;
 - (vi) any change in Law, GAAP, IFRS or FAR or in the interpretation, application or non-application of Law, GAAP, IFRS or FAR by any Agency;
 - (vii) any national or international, political or social conditions (including, the engagement by any country in hostilities, whether commenced before or after the date hereof, and whether or not pursuant to the declaration of a national emergency or war), or the occurrence of any military, militant or terrorist attack (or any escalation or worsening thereof);
 - (viii) any failure by Company to meet any public estimates or expectations regarding its revenues, earnings or other financial performance or results of operations;
 - (ix) any matters disclosed in this Agreement or in the Company Disclosure Statement;

- (x) the occurrence of a Net Cash Termination Event or a Working Capital Termination Event;
- (xi) any action or inaction taken by Company or any of its Subsidiaries to which Parent has expressly consented in writing or as expressly permitted by this Agreement;
- (xii) any strikes, slowdowns or work stoppages;
- (xiii) earthquakes, hurricanes, tsunamis, tornadoes, floods or other natural disasters, weather conditions, explosions or fires or other force majeure events;
- (xiv) any notice to Company that any Agency will not consent to a Novation Agreement or Other FAR 42.12 Agreement for any Assigned Contract; or
- (xv) any failure to obtain an Other FAR 42.12 Agreement for any Assigned Contract.

it being understood that any cause of any change referred to in clauses (iv) and/or (x) above may be taken into consideration when determining whether a fact, circumstance, change, effect, occurrence, event or state of facts is Materially Adverse, but excluding any underlying cause referred to in clauses (i) to (xv) above (other than clauses (iv) and/or (x) above); it being further understood that any fact, circumstance, change, effect, occurrence, event or state of facts referred to in clauses (i), (ii), (iii), (v), (vi), (vii), (xii) and (xiii) may nevertheless be taken into consideration when determining whether a fact, circumstance, change, effect, occurrence, event or state of facts is Materially Adverse to the extent that any such circumstance, change, effect, occurrence, event or state of facts disproportionately has an impact on the financial condition, operations, results of operations, business, assets or capital of Company or its Subsidiaries relative to other participants in such party's industry.

- (102) **"Multiemployer Plan"** means any "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA and includes any multi-employer plan within the meaning of any pension legislation in force in Canada or any province of Canada.
- (103) **"Net Cash"** means (a) all cash and cash equivalents held in money market, savings, investment, brokerage and other corporate bank accounts maintained by Company or its Subsidiaries plus (b) all fees associated with any filings made pursuant to applicable Antitrust Laws and paid by Company pursuant to Section 11.5 less (c) the actual closing costs arising from and attributable to the Transactions to the extent such costs are payable on or after the Effective Date, including costs in the categories identified in Schedule 1.1(103) plus (d) any amounts payable pursuant to Section 6.1(h) plus (e) any amounts paid, or payable prior to the Effective Date, in respect of discharge of Liens pursuant to Section 5.2(a) not exceeding \$600,000.
- (104) **"Net Cash Termination Event"** means, Net Cash, as disclosed in the statement produced pursuant to Section 6.4, is less than \$30,000,000.
- (105) **"Novation Agreement"** means a Contract (a) executed by (i) Company; (ii) Parent; and (iii) Agency; and (b) by which the Agency recognizes the transfer of such Contract and related assets in accordance with FAR Subpart 42.12.
- (106) **"Option Plan"** means the amended and restated stock option plan of Company.
- (107) **"Optionholders"** means the holders at the relevant time of Options.
- (108) **"Options"** means all options to purchase Common Shares issued pursuant to the Option Plan.
- (109) **"Other FAR 42.12 Agreement"** means an agreement other than a Novation Agreement with an Agency addressing issues related to the change in ownership which may occur before or after the Effective Date.
- (110) **"Outside Date"** means March 31, 2014 or such later date to which Company and Parent may agree in writing.
- (111) **"Owned Real Property"** has the meaning set out in Section (n)(i) of Schedule E.
- (112) **"Parent"** means Emergent BioSolutions Inc., a corporation incorporated under the laws of Delaware.
- (113) **"Parent Disclosure Statement"** means the statement delivered by Parent to Company concurrently with the execution of this Agreement.
- (114) **"Parent Expenses"** has the meaning set out in Section 9.1(d).
- (115) **"Parent Information"** means all information as may be reasonably requested by Company or as required by the Interim Order or applicable Law to be disclosed in the Company Circular and any amendment or supplement thereto with respect to Parent.
- (116) **"Parent Information Representation"** has the meaning set out in Section 2.2(b).
- (117) **"Patents"** means all patents and patent applications (including utility patents, utility models, design patents, certificates of invention and applications for certificates of invention and related priority rights) and registered design and registered design applications and all rights in connection therewith in any country, and including all provisional applications, substitutions, continuations, continuations-in-part, divisions, renewals, reissues, re-examinations and extensions thereof.
- (118) **"Permits"** means all certificates, franchises, licenses, permits, grants, covenants, certificates, orders, registrations, consents, variances, authorizations and approvals issued to or granted by Agencies or other third parties. For the avoidance of doubt, this definition does not encompass any Environmental Permit.
- (119) **"Permitted Liens"** means (a) Liens for Taxes, assessments or similar charges incurred in the ordinary course of business that are not yet due and payable or which are being contested in good faith through appropriate proceedings (provided such items being contested are identified in Schedule 1.1(119)(i)); (b) pledges or deposits made in the ordinary course of business; (c) Liens of mechanics, materialmen, warehousemen or other like Liens securing obligations incurred in the ordinary course of business that are not yet due and payable or for which a bond has been posted if such Lien is being contested in good faith (provided such items for which a bond has been posted are identified in Schedule 1.1(119)(ii)); (d) matters of record or registered Liens affecting title to any asset; (e) requirements and restrictions of zoning, building and other applicable Law and municipal by-laws, and development, site plan, subdivision or other agreements with municipalities or other governmental entities; (f) statutory Liens of landlords for amounts that are not yet due and payable, are being contested in good faith by appropriate proceedings or may thereafter be paid without penalty; (g) Liens arising under conditional sales contracts and requirements leases with third parties entered into in the ordinary course of business; (h) defects, irregularities or imperfections of title and similar Liens and encumbrances which are incurred in the ordinary course of business consistent with past practice; (i) any easement, right of way, lease, license or sublease or encumbrance that would be set forth in a title policy; and (j) Liens that will be released prior to, or on, the Effective Date, and in each of (a) through (i) above do not individually or in the aggregate materially detract from the value of the related assets or properties or materially impair the continued use thereof in the operation of the Business.
- (120) **"person"** includes any individual, firm, partnership, limited partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Agency, syndicate or other entity, whether or not having legal status.
- (121) **"Plan"** means any Employee Benefit Plan other than a Multiemployer Plan.
- (122) **"Plan of Arrangement"** means the plan of arrangement in the form and content of Schedule A, and any amendments or variations thereto made in accordance with Section 8.2 of this Agreement or Article 5 of the Plan of Arrangement or made at the direction of the Court.
- (123) **"Pre-Arrangement Reorganization"** has the meaning set out in Section 5.10.

- (124) "**Premium Cap**" has the meaning set out in Section 10.2(a).
- (125) "**Principal**" has the meaning set forth in FAR 2.101.
- (126) "**Qualified Plans**" has the meaning set out in Section (s)(v) of Schedule E.
- (127) "**Real Property**" has the meaning set out in Section (n)(ii) of Schedule E.
- (128) "**Regulatory Approvals**" means those sanctions, rulings, consents, orders, exemptions, permits, waivers, early termination authorizations, clearances, written confirmations of no intention to initiate legal proceedings and other approvals of an Agency necessary to consummate the Transaction (including (a) the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a time lapses following the giving of notice of an objection being made by an Agency and (b) those set out on Schedule G).
- (129) "**Representatives**" of a person means, collectively, the directors, officers, employees, professional advisors, agents or other authorized representatives of such person.
- (130) "**Response Period**" has the meaning set out in Section 7.5(b).
- (131) "**Reverse Termination Fee**" means the fee in the amount of \$15,820,000 payable by Parent to Company in the circumstances set out in Section 9.2.
- (132) "**SAM**" means the U.S. government's System for Award Management.
- (133) "**SEC**" means the Securities Exchange Commission or its successor.
- (134) "**Securities Commissions**" means the securities regulatory authorities in each of the provinces of Canada.
- (135) "**Shareholder Approval**" means the approval of the Arrangement by the affirmative vote of 66 2/3% of the votes cast at the Special Meeting by Shareholders.
- (136) "**Shareholders**" means the holders at the relevant time of Common Shares or, where the context requires, of Holdco Shares.
- (137) "**Special Meeting**" means the special meeting of Shareholders, including any postponement or adjournment thereof, to be called and held in accordance with the Interim Order to consider the Arrangement.
- (138) "**Specified Manufacturing Facilities**" means the Baltimore, Maryland manufacturing facilities and each of the 3 Winnipeg, Manitoba manufacturing facilities as set forth in Schedule 1.1(138).
- (139) "**Subsidiaries**" means in respect of a person, each of the corporate entities, partnerships and other entities over which it exercises direction or control, and "**Subsidiary**" means any such entity.
- (140) "**Successor Plan**" has the meaning set out in Section 10.5(b).
- (141) "**Superior Proposal**" means any *bona fide* written Acquisition Proposal made before or after the date hereof by a third party that was not solicited after the date hereof in contravention of Section 7.1, that, in the good faith determination of the board of directors of Company (following consultation with the Financial Advisor and outside legal advisors): (a) is reasonably capable of being completed without undue delay (taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal), (b) is not subject to access conditions or any financing conditions, (c) if subject to a due diligence condition, any such due diligence shall be completed in no more than 2 weeks and (d) could reasonably be expected, if consummated in accordance with its terms (but not assuming away any risk of non-completion), to result in a transaction more favorable, from a financial perspective, to Shareholders (other than Parent and its affiliates) than the Arrangement (including any amendments to the terms and conditions of the arrangement proposed by Parent pursuant to Section 7.6).
- (142) "**Tax**" and "**Taxes**" means, with respect to any person, all income taxes (including any tax on or based upon net income, gross income, capital gains income as specially defined, earnings profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes or other withholding obligations, payroll taxes, employment taxes, Canada or Quebec Pension Plan premiums, excise, severance, social security premiums, workers' compensation premiums, unemployment insurance or compensation premiums, stamp taxes, conveyance fees, documentary taxes, occupation taxes, premium taxes, real property taxes or assessments, personal property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes of any kind whatsoever, and any interest and any penalties or additional amounts imposed by any taxing Agency (domestic or otherwise) on such person or for which such person is responsible, and any interest, penalties, additional taxes, additions to tax or other amounts imposed with respect to the foregoing, and includes any items described above attributable to another person in respect of which the first person or any Subsidiary of such first person is liable to pay in accordance with applicable Law, Contract or otherwise, whether or not disputed.
- (143) "**Tax Returns**" means returns, reports and forms (including schedules thereto) required to be filed in accordance with applicable Law with any Agency of Canada, the United Kingdom or the United States or any provincial, state or local Agency thereof or therein or any other jurisdiction responsible for the imposition or collection of Taxes.
- (144) "**Termination Fee**" means the fee in the amount of \$7,910,000 payable by Company to Parent in the circumstances set out in Section 9.1.
- (145) "**Termination Period**" has the meaning set out in Section 8.1(c).
- (146) "**Trade Secrets**" means all "Trade Secrets" as defined in the United States Uniform Trade Secrets Act.
- (147) "**Transactions**" means the Arrangement and the other transactions related to the acquisition of Company by Parent contemplated by this Agreement and the other agreements contemplated hereby.
- (148) "**Transferred Members**" has the meaning set out in Section 10.5(b).
- (149) "**Transition Committee**" has the meaning set out in Section 6.2.
- (150) "**TSX**" means the Toronto Stock Exchange or its successor.
- (151) "**Unwinding Transaction**" has the meaning set out in Section 5.10.
- (152) "**US Dollars**" or "**\$**" means United States dollars.
- (153) "**US Government Bid**" means any outstanding bid, quotation, proposal, or grant application by Company which, if accepted or awarded, would result in a US Government Contract.
- (154) "**US Government Contract**" means any Contract, including any prime contract, subcontract, contractor team arrangement, joint venture, basic ordering agreement, letter contract,

purchase order, delivery order, task order, change order, option or other arrangement of any kind between Company or any of its Subsidiaries and either (a) any US Agency, (b) any prime contractor of any US Agency or (c) any first tier subcontractor with respect to any contract described in clauses (a) or (b) of this definition, where the ultimate customer is an US Agency, that has not been closed by the US Agency, such prime contractor or such subcontractor, as appropriate, and is actively being performed by Company or any of its Subsidiaries.

(155) **"Voting Support Agreement"** has the meaning set out in the recital D to this Agreement.

(156) **"WARN"** has the meaning set out in Section 10.6(a).

(157) **"Working Capital"** means the amount derived by calculating:

- (i) the gross value on the books of Company and its Subsidiaries of current assets, as defined under IFRS, including cash and cash equivalents, accounts receivable, inventories and contracts in progress, taxes recoverable, and prepaid expenses and deposits, plus all fees associated with any filings made pursuant to applicable Antitrust laws and paid or payable by Company pursuant to Section 11.5; less
- (ii) the gross value on the books of Company and its Subsidiaries of current liabilities, as defined under IFRS, including accounts payable and accrued liabilities, provision for chargebacks, and the current portion of each of royalty provisions, royalty liabilities, , incentive plan liabilities, taxes payable and deferred income provided always that any liabilities not exceeding \$2,400,000 payable and accrued in respect of change of control severance payments for Company employees with employment agreements as set forth in Section (h)(iv)(C) of the Company Disclosure Statement shall be excluded from this calculation.

(158) **"Working Capital Termination Event"** means Working Capital, as disclosed in the statement produced pursuant to Section 6.4, is less than \$90,000,000.

1.2 Currency

Except as expressly indicated otherwise, all sums of money referred to in this Agreement are expressed and shall be payable in US Dollars.

1.3 Accounting Matters

All accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS, GAAP or FAR, as applicable, and all determinations of an accounting nature required to be made in respect of Company and Parent shall be made in a manner consistent with IFRS, GAAP or FAR, as applicable.

1.4 Knowledge

Where the phrases "to the knowledge of Company", "Company has knowledge" or "Company's knowledge" or other phrases of similar import are used, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon the knowledge of those individuals listed in Schedule 1.4(a) without any duty to conduct independent inquiry.

Where the phrases "to the knowledge of Parent", "Parent has knowledge" or "Parent's knowledge" or other phrases of similar import are used, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon the knowledge of those individuals listed in Schedule 1.4(b) without any duty to conduct independent inquiry.

1.5 Date For Any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties is not a business day, such action shall be required to be taken on the next succeeding day which is a business day.

1.6 Interpretation

When a reference is made in this Agreement to a Section or Sections, or an Exhibit or Schedule, such reference shall be to a Section or Sections of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning, construction or interpretation of this Agreement.

1.7 Schedules

The following are the Schedules to this Agreement, which form an integral part hereof:

Schedule A	–	Plan of Arrangement
Schedule B	–	Mutual Conditions
Schedule C	–	Conditions in Favour of Company
Schedule D	–	Conditions in Favour of Parent and Buyer
Schedule E	–	Representations and Warranties of Company
Schedule F	–	Representations and Warranties of Parent and Buyer
Schedule G	–	Regulatory Approvals

ARTICLE 2 - THE ARRANGEMENT AND ITS ANNOUNCEMENT

2.1 Process Regarding Company

Subject to the terms and conditions of this Agreement:

- (a) subject to compliance by Parent with its agreements and covenants in Section 2.2, as soon as practicable after the execution of this Agreement, and in any event within 30 days of the date of this Agreement, Company shall, in a manner acceptable to Parent, acting reasonably, apply to the Court pursuant to Section 182 of the Act for the Interim Order;
- (b) provided the Interim Order has been obtained, Company shall, in a manner acceptable to Parent, acting reasonably, and subject to Parent's agreements and covenants in Section 2.2, hold the Special Meeting as soon as reasonably practicable after the Interim Order has been obtained, and in any event within 66 days of the date of this Agreement (unless otherwise ordered in, or is not reasonably practicable as a result of, the Interim Order), and, in connection with the Special Meeting, ensure that the Company Circular contains all information necessary to permit Shareholders to make an informed judgement about the Arrangement;
- (c) after having called the Special Meeting, Company shall not, without the prior written consent of Parent, adjourn, postpone or cancel the Special Meeting, except as may be required for quorum purposes or by Law or the rules of the TSX or except as otherwise contemplated in this Agreement;
- (d) the Special Meeting shall be held regardless of whether the board of directors of Company determines at any time that this Agreement is no longer advisable or recommends that Shareholders reject the Arrangement or any other Change of Recommendation has occurred at any time;
- (e) Company shall, subject to the prior review and written approval of Parent, and subject to Parent's agreements and covenants in Section 2.2, prepare, file and distribute the Company Circular and such other documents (including documents required by the TSX and the Securities Commissions or applicable Law) as may be necessary or desirable to permit Shareholders to vote on the Arrangement;
- (f) provided the Arrangement is approved at the Special Meeting as set out in the Interim Order, as soon as reasonably practicable thereafter at a time determined with Parent, Company shall forthwith, in a manner acceptable to Parent, acting reasonably, take the necessary steps to submit the Arrangement to the Court and apply for the Final Order in such manner as the Court may direct; and
- (g) provided the Final Order is obtained and the conditions set out in Article 3 have been satisfied or waived, Company and Parent shall agree on a date, being not less than 3 Business Days and no more than 5 Business Days, after receipt of the Final Order, on which Company shall send to the Director, for endorsement and filing by the Director, articles of arrangement and such other documents as may be required under the OBCA to give effect to the Arrangement.

2.2 Circular

- (a) Company shall prepare the Company Circular (including supplements or amendments thereto) and cause the Company Circular (including supplements or amendments thereto) to be distributed in accordance with applicable Law. In preparing the Company Circular, Company shall provide Parent with a reasonable opportunity to review and comment on the Company Circular and, other than with respect to the Parent Information for which Parent shall be solely responsible, Company shall consider all such comments, provided that whether or not any comments are accepted or deemed appropriate shall be determined by Company in its discretion, acting reasonably. In a timely and expeditious manner so as to permit Company to comply with its obligations in Section 2.1(a) and Section 2.1(b), Parent shall promptly furnish to Company all Parent Information. Each of Company and Parent shall:
- (i) ensure that all information provided by it or on its behalf that is contained in the Company Circular does not contain any misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated in the Company Circular that is necessary to make any statement that it contains not misleading in light of the circumstances in which it is made; and
 - (ii) promptly notify the other if, at any time before the Effective Time, it becomes aware that the Company Circular, any document delivered to the Court in connection with the application for the Interim Order or Final Order or delivered to Shareholders in connection with the Special Meeting or any other document contemplated by Section 2.1 contains a misrepresentation or an untrue statement of material fact or omits to state a material fact required to be stated in those documents that is necessary to make any statement it contains not misleading in light of the circumstances in which it is made or that otherwise requires an amendment or a supplement to those documents; and in any such event, Company and Parent will reasonably cooperate with each other in the preparation, filing and dissemination of any required supplement or amendment to the Circular or such other document, as the case may be, and any related news release or other document necessary or desirable in connection therewith.
- (b) Parent represents and warrants that Parent Information does not and will not contain any untrue statement or omit to state a material fact necessary to make any such statement or material fact, in light of the circumstances in which it was made, not misleading (the "Parent Information Representation"). Parent shall indemnify and hold harmless each of the Indemnified Persons to the extent of a breach of the Parent Information Representation.
- (c) Company will advise Parent as Parent may reasonably request, and on a daily basis commencing 5 Business Days prior to the Special Meeting, as to the aggregate tally of the proxies and votes received in respect of the Special Meeting.
- (d) Company will promptly provide Parent with any notice relating to the Special Meeting and allow Representatives of the Buyer and Parent to attend the Special Meeting.
- (e) Company represents and warrants as of the date hereof, that, after due inquiry, it has been advised that, each of the directors of Company intends to vote all Common Shares held by each of them, or that may hereafter be acquired by each of them, in support of the Arrangement at the Special Meeting.

2.3 Public Announcement

Immediately after the execution of this Agreement, Company and Parent shall each issue a public announcement (such Parent public announcement also to be filed with the SEC on Form 8-K by Parent), announcing the entering into of this Agreement and the Transactions, which announcements shall be in form and substance acceptable to each of them, acting reasonably.

2.4 List of Securityholders

Upon the reasonable request from time to time of Parent, Company will provide Parent with lists (in both written and electronic form) of the registered Shareholders, together with their addresses and respective holdings of Common Shares, as applicable, lists of the names and addresses and holdings of all persons having rights issued or granted by Company to acquire or otherwise related to Common Shares (including Optionholders) and lists of non-objecting beneficial owners of Common Shares and participants in book-based nominee registers (such as CDS & Co. and CEDE and Co.), together with their addresses and respective holdings of Common Shares. Company will from time to time require that its registrar and transfer agent furnish Parent with such additional information, including updated or additional lists of Shareholders, including immediately upon exercise of the Options, information regarding beneficial ownership of Common Shares and lists of holdings and other assistance as Parent may reasonably request.

ARTICLE 3 - CONDITIONS TO THE ARRANGEMENT

3.1 Mutual Conditions

The respective obligations of the parties to complete the Arrangement shall be subject to the fulfillment, or the waiver by each of them, on or before the Outside Date, of the conditions set forth in Schedule B, each of which may be waived by mutual consent of the parties, in whole or in part. For greater certainty, the conditions set forth in Schedule B are inserted for the benefit of each of the parties to this Agreement and may be waived by mutual consent of Company and Parent (for itself and on behalf of Buyer), in whole or in part, in their sole discretion.

3.2 Conditions in Favour of Company

The obligations of Company to complete the Arrangement shall be subject to the fulfillment, or the waiver by Company, on or before the Outside Date, of the conditions set forth in Schedule C, each of which is for the exclusive benefit of Company and may be waived by Company alone, at any time, in whole or in part, in its sole discretion.

3.3 Conditions in Favour of Parent and Buyer

The obligations of each of Parent and Buyer to complete the Arrangement shall be subject to the fulfillment, or the waiver by Parent (for itself and on behalf of Buyer), on or before the Outside Date, of the conditions set out in Schedule D, each of which is for the exclusive benefit of Parent and Buyer and may be waived by Parent (for itself and on behalf of Buyer) alone, at any time, in whole or in part, in its sole discretion.

3.4 Satisfaction, Waiver and Release of Conditions

Upon the issuance of a certificate of arrangement in respect of the Arrangement by the Director in accordance with the Final Order and the OBCA, the conditions provided for in this Article 3 shall be deemed conclusively to have been satisfied, fulfilled, waived or released.

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Company

Company represents and warrants to Parent and Buyer as to those matters set forth in Schedule E (and acknowledges that Parent and Buyer are relying on such representations and warranties in entering into this Agreement and completing the Transactions).

4.2 Representations and Warranties of Parent and Buyer

Parent and Buyer jointly and severally represent and warrant to Company as to those matters set forth in Schedule F (and acknowledge that Company is relying on such representations and warranties in entering into this Agreement and completing the Transactions).

4.3 Survival of Representations, Warranties and Covenants

The representations, warranties and covenants of Company and of Parent and Buyer contained in this Agreement or in any instrument delivered pursuant to this Agreement shall merge upon, and shall not survive, the Effective Date; provided that this Section 4.3 shall not limit any covenant or agreement of the parties, which by its terms contemplates performance after the Effective Time. Notwithstanding the foregoing, the parties acknowledge and agree that the representations, warranties and covenants in Section 10.6(a), 10.6(b) and 10.6(c) are intended only as an indication of Parent's and Buyer's current intent as of the date of this Agreement and are not intended to survive the Effective Date.

4.4 Effect of Inconsequential Inaccuracies.

Parent and Buyer agree that (a) Parent shall have no termination right pursuant to Section 8.1(c)(vi) as a result of an Inconsequential Inaccuracy, (b) an Inconsequential Inaccuracy shall not cause the condition set forth in Section (b) of Schedule D to be unsatisfied, and (c) where (a) or (b) above applies, Company shall have no obligation to pay Parent the Termination Fee pursuant to Section 9.1(c) or Parent Expenses pursuant to Section 9.1(d), and (d) neither Parent nor Buyer will have any recourse against Company, the Shareholders or any other officer, director, representative or employee of Company for an Inconsequential Inaccuracy.

5.1 General

The Transactions are intended, subject to the terms and conditions hereof, to result in, among other things, Parent acquiring all Common Shares outstanding immediately prior to the Effective Time for the Consideration per Common Share and as set out in greater detail in the Plan of Arrangement. In addition, Parent agrees that, subject to compliance with the terms of the Plan of Arrangement, a Shareholder shall be entitled to: (a) deliver a notice to Parent at least 10 days prior to the date of the Special Meeting, notifying Parent of such Shareholder's intention to effect the transaction contemplated in Section 2.5 of the Plan of Arrangement; and (b) enter into a Holdco Agreement to transfer the Holdco Shares to Buyer under the Arrangement.

5.2 Satisfaction of Conditions

Each of Company, Parent and Buyer shall (and shall cause its Subsidiaries to) use all commercially reasonable efforts to satisfy each of the conditions precedent to be satisfied by it, as soon as practicable and in any event before the Effective Date, and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable to permit the completion of the Transactions in accordance with the Arrangement, this Agreement, the agreements that it contemplates and applicable Law, and to cooperate with each other in connection therewith, including using all commercially reasonable efforts to:

- (a) provide notice to, and obtain all waivers, consents, permits, licenses, authorizations, orders, approvals and releases, including release of any and all Liens, necessary or desirable to complete the Transactions from, Agencies and other persons, including parties to agreements, understandings or other documents to which each of Company and Parent (or their respective Subsidiaries) is a party or by which it or its properties are bound or affected (including loan agreements, shareholder agreements, leases, subleases, pledges, guarantees and security), the failure of which to provide or obtain would prevent the completion of the Arrangement or which, individually or in the aggregate, would reasonably be expected to be Materially Adverse;
- (b) obtain the Interim Order and the approval of Shareholders at the Special Meeting within the times provided in Section 2.1, subject to the terms of the Interim Order;
- (c) effect or cause to be effected all registrations and filings and submissions of information necessary or desirable to complete the Transactions or requested of it by Agencies, the failure of which to obtain would reasonably be expected to prevent the completion of the Transactions or would reasonably be expected to be Materially Adverse;
- (d) keep the other reasonably informed as to the status of the proceedings related to obtaining the Regulatory Approvals, including providing the other with copies of all related applications and notifications; and
- (e) to the extent required by any Agency, secure any Novation Agreement or Other FAR 42.12 Agreement from any Agency to the extent required to be obtained by any Agency in order to permit the consummation of the Transactions.

5.3 Options and other Equity Based Compensation Arrangements

- (a) Prior to the Effective Time, Company's board of directors shall accelerate the vesting of otherwise unvested Options and provide for the exercise of Options conditional on all conditions precedent to the Arrangement being satisfied or waived such that, immediately prior to the Effective Time, such Options that have been so conditionally exercised shall be deemed to have been exercised and the Common Shares issuable on exercise of such Options shall be deemed to be issued and outstanding.
- (b) Prior to the Effective Time, Company shall terminate the Option Plan, Employee Share Purchase Plan, Restricted Share Unit Plan, and Deferred Share Unit Plan by proper action of its board of directors and in accordance with applicable Law, so that on and after the Effective Time there shall be no further liability thereunder other than the obligation to make payments in accordance with any restricted share unit award agreements listed in Section (r)(i) of the Company Disclosure Statement and deferred share unit agreements and election notices listed in Section (r)(i) of the Company Disclosure Statement, to the extent still outstanding and effective as of the payout date.

5.4 Defence of Proceedings

Each of Company, Parent and Buyer shall diligently defend, or shall cause to be diligently defended, any lawsuits or other legal proceedings brought against it or any of its Subsidiaries or their respective directors, officers, shareholders or equityholders challenging this Agreement or the completion of the Transactions. Neither Company, Parent nor Buyer shall settle or compromise (or permit any of their respective Subsidiaries to compromise or settle) any such claim brought in connection with the Transactions, without the prior written consent of the other (provided that written consent of Parent shall only be necessary to the extent settlement of such claim would bind either Parent or Buyer or in any material respect affect, restrain or interfere with the conduct of the business of Company, Parent or any of their Subsidiaries or the consummation of the Transactions).

5.5 Registrar and Transfer Agent

Company shall permit the registrar and transfer agent for Common Shares to act as depositary in connection with the Arrangement and instruct that transfer agent to furnish to Parent (and such persons as it may reasonably designate) at such times as it may request such information and provide to Parent (and such persons as it may designate) such other assistance as it may reasonably request in connection with the implementation and completion of the Transactions.

5.6 Access; Confidentiality

- (a) Subject to (i) Agency approval, if applicable, (ii) compliance with applicable Law and the Confidentiality Agreement, and (iii) any request not being unduly disruptive to the running of the Business of Company, Company shall, and shall cause its Subsidiaries to, afford to Parent and to its Representatives, reasonable access during normal business hours during the period prior to the Effective Time to all of its Representatives, properties, offices, facilities, books, contracts, including Government Contracts (and any ex-U.S. government contracts), commitments, personnel, including officers and employees, and records of Company and its Subsidiaries, and, during such period, Company shall, and shall cause each of its Subsidiaries to, furnish promptly to Parent (i) a copy of each report, schedule, registration statement and other document filed by it during such period pursuant to the requirements of federal, provincial or state securities Law; and (ii) all other information concerning its business, properties, contracts, records and personnel as Parent may reasonably request, including any information with respect to Shareholder Approval at the Special Meeting and the status of the efforts to obtain such approval and any additional information as set forth on Schedule 5.6(a). Such information shall be held in confidence to the extent required by, and in accordance with, the provisions of the Confidentiality Agreement. Any reasonable costs of Company's external advisors under this Section 5.6(a) and incurred with Parent's prior written consent, will be borne by Parent.
- (b) Without limiting the generality of Section 5.6(a), within 10 days of the date of this Agreement, Company shall, and shall cause its Subsidiaries to, afford Parent and its Representatives, reasonable access during normal business hours to (i) the officers of Company and its Subsidiaries; and (ii) such financial statements of Company and its Subsidiaries as Parent or its Representatives may reasonably request for the purposes of promptly completing due diligence of Company's and its Subsidiaries' FCPA and similar anti-bribery Law compliance and practices.
- (c) Company agrees to provide, and to cause its Subsidiaries to provide, Parent, at Parent's cost and expense, with reasonable cooperation, in a reasonably timely manner, in connection with its capital raising activities as may be reasonably requested by Parent, including authorizing and directing its accountants to provide comfort letters and consents to the use of accountants' audit reports and financial statements relating to Company. Parent shall, promptly upon written request by Company, reimburse Company for all reasonable and documented out-of-pocket costs incurred by Company or any of its Subsidiaries in connection with such cooperation; provided that Company shall not incur any material expenses without the prior consent of Parent and provided that no expense incurred and not yet reimbursed by Parent shall constitute a reduction from Net Cash or Working Capital. Company will periodically update any information provided to be included in any offering document to be used in connection with Parent's capital raising activities.
- (d) Nothing in this Section 5.6 shall impair the ability of Company, in its sole and absolute discretion, to seek applicable third-party customer consent or require a non-disclosure agreement, in each case prior to granting access to or disseminating any reports, schedules, registration statements, documents and other information requested under this Section 5.6 with respect to third parties. Parent shall provide Company with a reasonable opportunity to review and comment on any description of Company, its business or operations, financial statements or projections, and any pro forma combined financial or other information involving Company contained in any disclosure document to be used by parent in its capital raising activities contemplated by this Section 5.6.

5.7 Duty to Inform

Each of Company and Parent shall keep the other reasonably apprised of the status of matters relating to the completion of the Transactions and work cooperatively in a reasonable manner in connection with obtaining the requisite approvals and consents or governmental orders, including:

- (a) subject to Agency approval, if applicable, promptly notifying the other of, and, if in writing, promptly furnishing the other with copies of, any communications from or with any Agency with respect to the Transactions, including with respect to any Agency communication to Company in connection with any Novation Agreement or Other FAR 42.12 Agreement for any Assigned Contract;

- (b) subject to Agency approval, if applicable, permitting the other party to review in advance, and considering in good faith the view of one another in connection with, any proposed communication with any Agency in connection with proceedings under or relating to any applicable Law relating to the Transactions; and
- (c) not agreeing to participate in any meeting or discussion with any Agency in connection with proceedings under or relating to any applicable Law relating to the Transactions unless it consults with the other party in advance, to the extent reasonably practicable, and, to the extent permitted by such Agency, giving the other party the opportunity to attend and participate for such portions of such meeting or discussion at which matters relating to the Transactions are to be discussed.

5.8 Board Recommendation

The board of directors of Company shall in the Company Circular, subject to Section 7.5, unanimously recommend that Shareholders approve the Arrangement.

5.9 Withholding Rights

Company, Buyer, Parent and any person acting as depositary (the "**Depository**") in connection with the Arrangement shall be entitled to deduct and withhold from any dividend, price or consideration otherwise payable to any holder of Common Shares or Holdco Shares such amounts as Company, Buyer, Parent, Holdco or the Depository is required to deduct and withhold with respect to such payment under the ITA, United States Tax Law or any other applicable Law in respect of Taxes. To the extent that amounts are so withheld or deducted, such withheld or deducted amounts shall be treated for all purposes hereof as having been paid to Shareholders in respect of which such deduction and withholding was made, provided that such withheld or deducted amounts are actually remitted to the appropriate taxing Agency by Company, Buyer, Parent, Holdco or the Depository, as the case may be.

5.10 Pre-Closing Reorganization

Company covenants and agrees that, upon the reasonable request by Parent, Company shall, and shall cause each of its Subsidiaries to use its reasonable commercial efforts to (a) take such actions to reorganize their respective capital, assets and structure as Parent may request in writing, acting reasonably (collectively, the "**Pre-Arrangement Reorganization**") and (b) cooperate with Parent and its advisors in order to determine the nature of the Pre-Arrangement Reorganization that might be undertaken and the manner in which it might most effectively be undertaken; provided that the Pre-Arrangement Reorganization (i) does not interfere with the ongoing operations of Company and its Subsidiaries; (ii) is not prejudicial to Company or any Subsidiary of Company or Shareholders or inconsistent with the provisions of this Agreement; (iii) shall not, and any actions taken in furtherance thereof shall not be considered to, constitute a breach of the representations or warranties or covenants of Company hereunder; (iv) does not require the directors, officers, employees or agents of Company or its Subsidiaries to take any action in any capacity other than as a director, officer or employee; (v) does not impede, or interfere with, delay the occurrence of the Effective Date by more than 3 Business Days after the satisfaction or waiver of the last of the conditions to be satisfied or waived in Schedule B, Schedule C or Schedule D, or prevent the completion of the Transactions; (vi) shall not affect or modify in any respect the obligations of either of Parent or Buyer under this Agreement; (vii) is reasonably capable of being consummated following the date of the Final Order and prior to the Effective Time; (viii) does not have adverse Tax consequences to Company or its Subsidiaries; and (ix) does not require Company or any of its Subsidiaries to obtain any waivers, consents, approvals, or make any filing (other than any Tax filing or election) with, any Agency or other third party or otherwise adversely affect any contract or agreement between Company or any of its Subsidiaries and any third party. Parent shall provide written notice to Company of any proposed Pre-Arrangement Reorganization at least 5 business days prior to the Effective Time provided that the Pre-Arrangement Reorganization shall in no event be effective prior to the granting of the Final Order. Company shall advance all costs of the Pre-Arrangement Reorganization, including any liability for Taxes of Company or any of the Subsidiaries that may arise as a result of such Pre-Arrangement Reorganization, and Parent shall reimburse such costs prior to the Effective Time such that, for the avoidance of doubt, all of such reimbursed costs shall be not be deducted for the purpose of calculating Net Cash and/or Working Capital. The parties will use their commercially reasonable efforts to structure the Pre-Arrangement Reorganization in such a manner that it is made effective immediately prior to the Effective Time. In the event that the Pre-Arrangement Reorganization is completed and the Arrangement is not completed as contemplated herein as a result of any termination of this Agreement pursuant to Sections 8.1(a), 8.1(b) or 8.1(c) (other than a termination by Parent pursuant to Sections 8.1(c)(iii)(D) or 8.1(c)(vi)), Parent shall reimburse Company for any loss or damages, including any liability for Taxes, caused to or incurred by Company or any of its Subsidiaries directly or indirectly as a result of such Pre-Arrangement Reorganization and shall also bear any cost associated with returning the corporate structure, capital structure, business, operations and assets, as applicable and as the case may be, to their state immediately prior to the Pre-Arrangement Reorganization (an "**Unwinding Transaction**") where Company, in its sole discretion, considers such Unwinding Transaction to be necessary or desirable.

5.11 Knowledge

Parent and Buyer each agree that neither Parent nor Buyer has any knowledge of any fact, event or circumstance that would make any representation or warranty (including as disclosed in the Company Disclosure Statement) made by Company in this Agreement untrue. Parent and Buyer acknowledge and agree that any disclosure in any one Section to the Company Disclosure Statement shall be considered a disclosure in all other applicable Sections of the Company Disclosure Statement.

ARTICLE 6 - CONDUCT OF BUSINESS

6.1 Conduct of Business by Company

Prior to the Effective Time, unless Parent otherwise agrees in writing (which agreement shall not be unreasonably withheld or delayed), or as otherwise expressly contemplated or permitted by this Agreement or as disclosed in the Company Disclosure Statement, Company shall, and shall cause each of its Subsidiaries to, (a) maintain its existence in good standing (to the extent that the laws of the jurisdiction of its formation recognize the concept of good standing) under the laws of the jurisdiction of its incorporation, (b) operate its Business only in, not take any action except in, and maintain its facilities, including the Specified Manufacturing Facilities in, the ordinary course of business consistent with past practice, (c) maintain and preserve its business organization and its material rights and franchises, (d) use commercially reasonable efforts to retain the services of its current officers and key employees, (e) use commercially reasonable efforts to maintain relationships and goodwill with customers, suppliers, lessees, joint venture partners, licensees, lessors, licensors, clinical collaborators and other third parties, including Government Agencies, (f) comply with all applicable Law including for the filing of Tax Returns, the withholding of Taxes, and the payment of Tax installments due prior to the Effective Date and the timely filing of all reports, forms, or other documents with the System for Electronic Document Analysis and Retrieval (SEDAR) as required by the securities regulatory authorities in Canada (g) maintain all of its operational assets in their current condition (normal wear and tear excepted) to the end that the goodwill and ongoing business of Company and its Subsidiaries shall not be impaired in any material respect, (h) use commercially reasonable efforts to ensure that, at the Effective Time, Company has Working Capital of at least \$90,000,000 and Net Cash of at least \$30,000,000. Without limiting the generality of the foregoing, Company shall (unless Parent otherwise agrees in writing (which agreement shall not be unreasonably withheld or delayed and which agreement shall be deemed to have been given if Parent fails to object in writing within 2 Business Days after request from Company), or as otherwise expressly contemplated or permitted by this Agreement or as disclosed in the Company Disclosure Statement):

- (a) not do, permit any of its Subsidiaries to do, or permit to occur any of the following (directly or indirectly):
 - (i) issue, grant, sell, transfer, pledge, lease, dispose of, encumber or agree to issue, grant, sell, pledge, lease, dispose of or encumber,
 - (A) any Common Shares or other securities entitling the holder to rights in respect of the securities or assets of Company or its Subsidiaries, other than pursuant to rights to acquire such securities existing at the date of this Agreement as disclosed in the Company Disclosure Statement, or
 - (B) any property or assets of Company or any of its Subsidiaries,
 - (ii) amend or propose to amend the constitutional documents (including articles or other organizational documents or by-laws) of it or any of its Subsidiaries,
 - (iii) adopt a plan of liquidation or resolution providing for the liquidation, arrangement, amalgamation, consolidation, restructuring recapitalization or other reorganization of Company or any of Company's Subsidiaries,
 - (iv) accrue, declare, set aside or pay any dividend on or make any distribution or payment or return of capital in respect of the Common Shares,
 - (v) redeem, purchase or offer to purchase any securities of its capital stock, or enter into any agreement, understanding or arrangement with respect to the voting, registration or repurchase of its capital stock,
 - (vi) except as otherwise permitted pursuant to Article 7, acquire any equity interest or adjust, split, reverse split, combine or reclassify its capital stock or become a party to any merger consolidation, joint venture, share exchange, business combination, amalgamation, recapitalization, or similar transaction,
 - (vii) acquire or agree to acquire (by purchase, amalgamation, merger or otherwise) the services of any person or assets for a purchase price that individually or in the aggregate exceeds \$500,000,
 - (viii) hire any officer or employee (except to fill any position set forth in Schedule 6.1 or replace any employee who has terminated his or her employment), promote any officer or employee, or terminate the employment of any officers or employees other than for cause,
 - (ix) make, or commit to make, any capital expenditures, other than those listed in Schedule 6.1(a), that individually or in the aggregate exceeds \$500,000,

- (x) incur, create, assume, commit to incur, act or fail to act in any manner that would reasonably be expected to accelerate any obligations in respect of, guarantee or otherwise become liable or responsible for, indebtedness for borrowed money, other than intercompany advances from Subsidiaries of Company made in the ordinary course of business consistent with past practice,
 - (xi) conduct the development, manufacture, commercialization, or other making, having made, importing, selling, or offering for sale, including researching, holding or keeping (whether for disposal or otherwise), having used, exporting, transporting, distributing, promoting, marketing or having sold or otherwise disposing of Company's products and services, including the Company Products, other than in the ordinary course of business consistent with past practice,
 - (xii) prepay any amount owing in respect of indebtedness for borrowed money,
 - (xiii) settle or compromise any suit, claim, action, proceeding, hearing, notice of violation, demand letter or investigation,
 - (xiv) commence any legal proceeding, except with respect to: (A) routine matters in the ordinary course of business and consistent with past practices; (B) in such cases where Company reasonably determines in good faith that the failure to commence suit would result in a material impairment of a valuable aspect of the Business (provided that Company consults with Parent and considers the views and comments of Parent with respect to such legal proceedings prior to commencement thereof); or (C) in connection with a breach of this Agreement or the agreements that it contemplates,
 - (xv) modify, amend or terminate, or waive, release or assign any material rights or claims with respect to any confidentiality or standstill agreement to which Company is a party,
 - (xvi) enter into any confidentiality agreements or arrangements other than in the ordinary course of business consistent with past practice, except as otherwise permitted in this Agreement,
 - (xvii) enter into, adopt or amend any Employee Benefit Plan or Employment Agreement, except as otherwise may be required by Law,
 - (xviii) enter into or modify any employment, severance, collective bargaining or similar agreements or arrangements with, or take any action with respect to or grant any salary increases, bonuses, benefits, severance or termination pay to (A) any current or former officers or directors, or (B) other than in the ordinary course of business, to other employees or consultants,
 - (xix) other than as a result of the Transactions, take any action that would give rise to a right to severance benefits to (A) any current or former officer or director, or (B) other than in the ordinary course of business, to other employees or consultants, in each case pursuant to any employment, severance, termination, change in control or similar agreements or arrangements,
 - (xx) adopt, amend, waive, increase or accelerate the timing, payment or vesting of benefits under or funding of, any bonus, profit sharing compensation, stock option (other than Options), pension, retirement, deferred compensation, employment or other employee benefit plan, agreement, trust, fund or arrangement for the benefit or welfare of any current or former employee, director or consultant, except as may be required under the terms of this Agreement,
 - (xxi) except as contemplated by, or required by, this Agreement, amend the Option Plan or otherwise amend the terms of any Options,
 - (xxii) except as otherwise required by Law, make any Tax election, settle or compromise any material Tax claim or assessment, file any Tax Return (other than any Tax Return due before the Effective Time and then only in a manner consistent with past practice), change any method of Tax accounting or consent to any extension or waiver of the limitation period applicable to any claim or assessment in respect of Taxes,
 - (xxiii) except as required by Law or provided for under IFRS, make any changes to existing accounting practices, or write up, write down or write off the book value of any assets in amount that, in aggregate, exceeds \$500,000, except for depreciation and amortization in accordance with IFRS,
 - (xxiv) accelerate payment terms or permit prepayment to Company or its Subsidiaries by any third party other than in the ordinary course of business, or
 - (xxv) other than in the ordinary course of business and consistent with past practice and that involve aggregate annual expenditures of \$500,000 or less in the fiscal year ending July 31, 2014 or the following fiscal years: (A) enter into or become bound by, or permit any of the assets owned or used by it to become bound by, any Contract that would otherwise be a material Contract or any other Contract that is material to Company or its Subsidiaries, it being agreed that entering into or amending any real estate lease shall be deemed to be a material Contract not entered into in the ordinary course of business; or (B) amend, terminate, or waive any material right or remedy under, any material Contract or any other Contract that is otherwise material to Company or its Subsidiaries, other than termination thereof upon the expiration of any such Contract in accordance with its terms or upon a material breach thereof by the counterparty thereto;
- (b) use its commercially reasonable efforts to cause the current insurance (or re-insurance) policies, including its clinical trial insurance policies, of it and its Subsidiaries not to be cancelled or terminated or any other coverage under those policies to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and reinsurance companies of nationally recognized standing reasonably acceptable to Parent providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect. Company and its Subsidiaries shall reasonably cooperate and coordinate with Parent or Buyer at its request regarding the renewal or replacement of any of Company or Subsidiary insurance policy that is expected to occur within 30 days prior to or 30 days after the then-estimated Effective Date, but in any case including the global liability policy currently set to expire November 2013, in order to ensure that the renewal or replacement process both maintains continuity of coverage and does not prejudice Buyer's efforts to later alter, cancel, or maintain coverage;
 - (c) not do or permit any action that would, or would reasonably be expected to, render any representation or warranty made by it in this Agreement untrue or inaccurate in a manner that, individually or in aggregate, would, or would reasonably be expected to, be Materially Adverse;
 - (d) promptly notify Parent orally and in writing of any change in the ordinary course of the business, operations or properties of Company or its Subsidiaries and of material complaints, investigations or hearings (or communications indicating that the same may be contemplated) that, individually is, or in the aggregate are, or would reasonably be expected to be, Materially Adverse;
 - (e) promptly notify Parent orally and in writing of (i) any claim asserted or legal proceeding commenced, or, to the knowledge of Company, either: (A) with respect to a Government Agency, threatened; or (B) with respect to any other person, threatened in writing, against, relating to, involving or otherwise affecting Company or its Subsidiaries that relates to the Transactions, (ii) any receipt of any written notice of resignation of the current officers, directors and employees of any of Company or its Subsidiaries, (iii) any pending or threatened claim, action, proceeding or investigation of which Company has knowledge and that would reasonably be expected to result in the debarment or exclusion of any of Company or its Subsidiaries or their officers, consultants, employees or agents; (iv) any notice or other communication received by Company indicating that any person which is a party to a Contract may cancel, terminate or otherwise modify any such Contract; and (v) Company shall provide accurate summaries of all significant adverse drug experiences submitted to the FDA or any other Agency relating to any Company Products.
 - (f) not implement any other change in the business, affairs, capitalization or dividend policy of Company or its Subsidiaries that is, or in the aggregate are, or would reasonably be expected to be, Materially Adverse;
 - (g) not enter into or modify any contract, agreement, commitment or arrangement with respect to any of the matters set forth in this Section 6.1; provided that Company may enter into or modify any contract, agreement, commitment or arrangement with respect to any of the matters set forth in Section 6.1(a) with agreement of Parent given in the manner set out in this Section 6.1; and
 - (h) use commercially reasonable efforts to oversee its distributors and commercial partners, including but not limited to requesting that such distributors and partners provide written reports related to their commercialization and marketing efforts. Provided that Parent agrees in writing, no later than immediately prior to the Effective Time, Company shall, to the extent it has the legal right to do so, terminate any agreements with distributors that would or could reasonably place Buyer in breach of applicable Law if such agreement were to remain in place after the Effective Time.

Notwithstanding the foregoing, none of the restrictions in this Section 6.1 shall apply to any of the matters identified in Schedule 6.1.

6.2 Not used

6.3 Financing

- (a) Parent represents and covenants to Company that it has sufficient funds available to it to pay the Consideration on the Effective Date. Parent covenants to maintain such funds available to it until the Effective Time and to utilize such funds to pay the Consideration, unless this Agreement is terminated as herein provided. To the extent that Parent and its financing sources have not executed binding definitive documentation covering the Debt Financing on the date hereof, Parent will use reasonable best efforts to enter into such definitive documentation as promptly as practicable. For the avoidance of doubt, a mere commitment letter shall not be deemed to be definitive documentation for purposes hereof. The sole remedy for Parent's breach of this Section 6.3(a) shall be payment of the Reverse Termination Fee, subject to and in accordance with the provisions of Section 9.2(a).
- (b) Company shall cooperate with Parent in a reasonably timely manner and will provide such information as shall be reasonably requested by Parent as required by its financing documents to be entered into on or about the date hereof (the "**Debt Financing**") and as expressly set forth in Schedule 6.3. Company shall not unreasonably withhold further cooperation should additional information be required by Parent's lenders.
- (c) Company acknowledges and agrees that under no circumstances shall it have any recourse to any lender connected to the Debt Financing under this Agreement or any other instrument.
- (d) Parent shall not assert as a defense (or counterclaim) to any claim brought by (or against) Company the refusal or failure of its lender to provide the Debt Financing.

6.4 Net Cash and Working Capital Statements

- (a) On the second Business Day after the date of the Final Order, Company shall prepare and deliver to Parent a statement, in the form attached as Schedule 6.4, setting out Working Capital, as of the end of the month preceding the date on which the Final Order is issued, and Net Cash, computed on a fully-reconciled basis or "book balance," as of the close of business on the Business Day on which the Final Order is issued; provided that if the Final Order is issued in the first 15 days of a calendar month, such statement shall set out the Working Capital as of the end of the month prior to the preceding month. Such statement shall be determinative of whether a Net Cash Termination Event or a Working Capital Termination Event has occurred, absent manifest error.
- (b) The parties shall in good faith reasonably cooperate so that Parent is kept apprised of Company's financial position. Without limiting the generality of the foregoing, for the period commencing on the date of first distribution of the Company Circular to the Shareholders and ending on the Effective Date, Company shall prepare and promptly deliver to Parent (i) weekly statements of cash computed from Company cash in account or "bank balance" (to be delivered within 2 Business Days after the last day of the relevant week), (ii) monthly statements of Working Capital (to be delivered within 25 days after the end of the relevant fiscal month); provided however that Company shall notify Parent on a weekly basis if it reasonably believes that Working Capital will deviate by more than 10% from the most recently provided statement of Working Capital; (iii) monthly unaudited consolidated balance sheet computed on a fully-reconciled basis or "book balance" (and, to the extent prepared by Company, income statement) of Company and its Subsidiaries for each fiscal month of Company (to be delivered within 25 days of the end of each fiscal month); and (iv) such other financial information as Parent shall reasonably request.

ARTICLE 7 - ALTERNATIVE TRANSACTIONS

7.1 Non-Solicitation; Adverse Acts

Except in respect of any action or inaction that is permitted by this Agreement, Company shall not (and shall not permit any of its Subsidiaries to), directly or indirectly, through any of its or its Subsidiaries' Representatives or otherwise:

- (a) solicit, initiate, knowingly encourage, or facilitate (including by way of furnishing or affording access to non-public information, properties, and facilities of Company or any of its Subsidiaries) any inquiries or the making by any third party of any proposals regarding an Alternative Transaction;
- (b) participate in any discussions or negotiations with any person regarding any Alternative Transaction provided that Company may (i) advise anyone requesting access to non-public information that such access cannot be provided unless such person makes an Acquisition Proposal and (ii) advise anyone making an unsolicited Acquisition Proposal that such proposal is not a Superior Proposal;
- (c) approve or recommend any Alternative Transaction; or
- (d) accept or enter into, or publicly propose to accept or enter into, any agreement, arrangement or understanding related to any Alternative Transaction.

Additionally, Company shall:

- (e) immediately cease and cause to be terminated any existing discussions or negotiations, directly or indirectly, with any person with respect to any Alternative Transaction; and
- (f) not, directly or indirectly, waive or vary any terms or conditions of any confidentiality, non-solicitation or standstill agreement that it has entered into with any person considering any Alternative Transaction and shall promptly request the return (or the deletion from retrieval systems and data bases or the destruction) of all information, in each case subject to the terms and conditions of each such agreement.

7.2 Permitted Actions

Notwithstanding anything in this Agreement, nothing shall prevent Company, its Subsidiaries or its or their Representatives or the board of directors of Company from:

- (a) complying with the obligations of the board of directors of Company under applicable securities Law to prepare and deliver a directors' circular in response to a take-over bid; and
- (b) considering, participating in discussions or negotiations and entering into confidentiality agreements and providing information regarding a *bona fide* written Acquisition Proposal that (i) did not result from a breach of Article 7 prior thereto, and (ii) the board of directors of Company has determined by formal resolution, in good faith and after consultation with its financial advisors and outside legal counsel, is or is reasonably likely to result in, if consummated in accordance with its terms, a Superior Proposal, but only to the extent that the board of directors of Company also has determined by formal resolution, in good faith after consultation with its outside counsel, that the failure to take such action would be inconsistent with its fiduciary duties.

The board of directors of Company shall not, except in compliance with Sections 7.5 and 7.6, approve, recommend, accept, support or enter into any other agreement, arrangement or understanding in respect of any such Acquisition Proposal other than a confidentiality agreement contemplated by Section 7.4.

7.3 Notification of Acquisition Proposal

Company shall promptly (and in any event within 24 hours of receipt by Company) notify Parent, at first orally and then promptly thereafter in writing, of any Acquisition Proposal made after the date hereof and any inquiry that Company reasonably expects to lead to any Alternative Transaction, or any amendments to the foregoing, or any request for information relating to Company or any of its Subsidiaries in connection with any Alternative Transaction or for access to the properties, books, or records of Company or any of its Subsidiaries by any person that Company reasonably believes is proposing to make, or has made, any Alternative Transaction. Such notices shall include a description of the material terms and conditions of any proposal and the identity of the person making such proposal or inquiry. Company shall thereafter provide such other details of the proposal or inquiry, discussions or negotiations as Parent may reasonably request and shall attach copies of all letters, agreements and other documentation (whether executed or in draft) exchanged by or on behalf of Company and the party making the Acquisition Proposal in respect of such Alternative Transaction. Company shall keep Parent reasonably informed by way of further notices of the status including any change to the material terms of any such Alternative Transaction.

7.4 Access to Information

If Company receives a request for information from a person that has made a *bona fide* written Acquisition Proposal that complies with Section 7.2(b), then, and only in such case, the board of directors of Company may, subject to, only if such person is not already party to a confidentiality agreement in favour of Company, the execution by such person of a confidentiality agreement containing a standstill provision (which, for greater certainty, shall in no event prevent or restrict such person, Company, its Subsidiaries or its or their Representatives, or the board of directors of Company from engaging in any activities otherwise permissible under Section 7.2(b)), with terms that are no less favourable to Company in any material respect to the terms applicable to Company in the Confidentiality Agreement and a prohibition on such person's use of any information regarding Company or its Subsidiaries for any reason whatsoever

other than as relates to such person's evaluation and consummation of the transaction that is the subject of the Acquisition Proposal, provide such person with access to information regarding Company and its Subsidiaries; provided for greater certainty that the substance of all confidential discussions between Company and Parent or Buyer must remain confidential; and further provided that Company sends a copy of any such confidentiality agreement to Parent promptly upon its execution and Company provides Parent (to the extent it has not already done so) with copies of the information provided to such person and promptly provides Parent with access to all information to which such person was provided access.

7.5 Implementation of Superior Proposal

Subject to Parent's rights under Section 7.6, Company may recommend, or propose to publicly recommend, the approval or adoption (and thereby change its recommendation regarding the Transactions) of a Superior Proposal, or resolve or agree to take any such action (each a "Change of Recommendation") in respect of which there has been no breach of Article 7 only if:

- (a) Company has complied with its obligations under this Article 7 with respect to the Superior Proposal, including by providing Parent with all documentation required to be delivered under Section 7.3 and a copy of the Superior Proposal (including any draft agreement proposed to be entered into by Company which governs the Superior Proposal and the financial value that the board of directors of Company has, in consultation with its financial advisors, determined in its good faith judgment should be ascribed to any non-cash consideration offered under the Superior Proposal);
- (b) such Change of Recommendation is made following the period expiring at 5:00 p.m. (Toronto time) on the fifth business day (the "Response Period") after the later of (i) the date on which Parent received written notice from the board of directors of Company that it intends, subject only to compliance with this Section 7.5, to effect a Change of Recommendation, and (ii) the date Parent received a copy of the Superior Proposal as provided in Section 7.5(a);
- (c) the board of directors of Company has considered any amendment to the terms of this Agreement proposed in writing by Parent (or on its behalf) before the end of the Response Period as contemplated in Section 7.6 and determined in good faith, after consultation with its financial advisors and outside legal counsel, that the Superior Proposal remains a Superior Proposal (as assessed against this Agreement, together with the written amendments, if any, proposed by Parent before the end of the Response Period) and that it would be inconsistent with its fiduciary duties not to effect a Change of Recommendation; and
- (d) the Special Meeting has not occurred.

If the Response Period would not terminate before the Special Meeting, Company shall adjourn the Special Meeting to a date specified by Parent that is no less than 2 and no more than 10 business days after the Response Period.

7.6 Response by Parent

During the Response Period, Parent shall have the right, but not the obligation, to offer in writing to amend the terms of this Agreement. The board of directors of Company shall review any such written offer by Parent to amend this Agreement in good faith, in consultation with its financial advisors and outside legal counsel, to determine whether the Acquisition Proposal to which Parent is responding would be a Superior Proposal when assessed against this Agreement, as would be amended in accordance with the written amendments, if any, proposed by Parent before the end of the Response Period. If the board of directors of Company does not so determine by formal resolution, it shall enter into an amended agreement with Parent and Buyer reflecting Parent's proposed written amendments. If the board of directors of Company does so determine then, Company may effect a Change of Recommendation; provided that in no event shall the board of directors of Company take any action that may obligate Company or any other person to seek to interfere with the completion of the Transactions, or impose any "break-up," "hello" or other fees or options or rights to acquire assets or securities, or any other obligations that would survive completion of the Transactions, on Company or any of its Subsidiaries, property or assets.

7.7 General

Nothing in this Article 7 (except as contemplated in Section 7.5) shall limit the obligation of Company to convene and hold the Special Meeting to consider the Arrangement as contemplated in Section 2.1. Each successive amendment to any material terms of an Acquisition Proposal shall constitute a new Acquisition Proposal for the purposes of Section 7.5 and 7.6 and Parent shall be afforded a new Response Period in respect of each such Acquisition Proposal.

ARTICLE 8 - TERMINATION AND AMENDMENT OF AGREEMENT

8.1 Termination

Except as otherwise set forth in this Section 8.1, the rights and obligations of the parties pursuant to this Agreement may be terminated at any time before the Effective Time:

- (a) by mutual agreement in writing executed by Company and Parent (for itself and on behalf of Buyer) (for greater certainty, without further action on the part of Shareholders if termination occurs after the holding of the Special Meeting);
- (b) by Company,
 - (i) after the Outside Date, if the conditions provided in Section 3.1 or Section 3.2 have not been satisfied or waived by Company on or before the Outside Date, provided however that the right to terminate pursuant to this Section 8.1(b)(i) shall not be available to Company if its failure to fulfill any of its obligations under this Agreement or if its breach of any of its representations and warranties under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by such Outside Date; or
 - (ii) if there shall be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins Company, Buyer or Parent from consummating the Arrangement and such applicable Law or injunction shall have become final and non-appealable; or
 - (iii) at any time following the Special Meeting, if Shareholders do not cast (or do not cause to be cast) sufficient votes at the Special Meeting to permit completion of the Arrangement (provided Company has paid the Termination Fee to Parent if there has been a Change of Recommendation); or
- (c) by Parent,
 - (i) after the Outside Date, if the conditions provided in Section 3.1 or Section 3.3 have not been satisfied or waived by Parent on or before the Outside Date, provided however that the right to terminate pursuant to this Section 8.1(c)(i) shall not be available to Parent if its or Buyer's failure to fulfill any of its or Buyer's obligations under this Agreement or if its or Buyer's breach of any of its or Buyer's representations and warranties under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by such Outside Date; or
 - (ii) if there shall be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibits or enjoins Company, Parent or Buyer from consummating the Arrangement and such applicable Law or injunction shall have become final and non-appealable; or
 - (iii) at any time if the board of directors of Company, or Company, as applicable,
 - (A) does not recommend in the Company Circular, or refuses to affirm (following the public announcement of any *bona fide* Acquisition Proposal within the later of (i) 5 days after a written request from Parent, and (ii) 1 day following the expiry of any applicable Response Periods) its recommendation, that Shareholders vote in favour of the Arrangement; or
 - (B) does not recommend against (following the public announcement of any *bona fide* Acquisition Proposal within the later of (i) 5 days after a written request from Parent, and (ii) 1 day following the expiry of any applicable Response Periods) the Shareholders voting in favour of an Alternative Transaction, or
 - (C) effects a Change of Recommendation but excluding the resolution referred to in Section 7.2(b); or
 - (D) breaches or fails to perform any of the covenants or agreements set forth in Article 7 (other than those covenants and agreements set forth in Sections 7.3 and 7.4), or materially breaches or fails to perform in all material respects any of the covenants or agreements set forth in Sections 7.3 and 7.4; or

it being acknowledged and agreed that a recommendation that Shareholders vote in favour of the Arrangement or against an Acquisition Proposal, in either case, made by the board of directors of Company after the date hereof (other than in the Company Circular) other than on a unanimous basis shall not constitute a failure to recommend or to reaffirm the recommendation of the board of directors of Company;

- (iv) at any time if the Special Meeting is cancelled, adjourned or delayed except as expressly permitted or contemplated by this Agreement or agreed to by Parent in writing or requested by Parent; or
- (v) at any time following the Special Meeting, if Shareholders do not cast (or do not cause to be cast) sufficient votes at the Special Meeting to permit completion of the Arrangement; or
- (vi) at any time if Company shall have (A) breached any of its representations or warranties set forth in this Agreement (without giving effect to, applying to, or taking into consideration any materiality qualification contained in such representations and warranties), which breach, individually or in the aggregate, is, or would reasonably be expected to be, Materially Adverse; or (B) failed to perform any of its covenants or agreements set forth in this Agreement, which failure, individually or in the aggregate, (1) is, or would reasonably be expected to be, Materially Adverse, or (2) prevents, or impairs, or would reasonably be expected to prevent or impair the ability of Parent or Buyer to consummate the Transactions; or
- (vii) there is a Working Capital Termination Event and/or Net Cash Termination Event.

Neither Company nor Parent may seek to rely upon the failure to satisfy any conditions precedent in Sections 3.1, 3.2 or 3.3 or exercise any termination right arising therefrom or any termination right provided in Section 8.1(c)(vi), unless forthwith and in any event prior to the filing of the articles of arrangement for acceptance by the Director, Company or Parent, as the case may be, has delivered a written notice to the other specifying in reasonable detail all breaches of and failures to perform covenants, representations and warranties or other matters which Company or Parent, as the case may be, is asserting as the basis for the non-fulfilment of the applicable condition precedent or the exercise of the termination right, as the case may be. If any such notice is delivered, provided that Company or Parent, as the case may be, is proceeding diligently to cure all such matters, if and for so long as all such matters are susceptible of being cured (for greater certainty, except by way of disclosure in the case of representations and warranties) ("**Curable Matters**"), the other may not terminate this Agreement as a result thereof until the earlier of (i) the date that any Curable Matter is no longer susceptible of being cured, (ii) the date that Company or Parent, as the case may be, is no longer proceeding diligently to cure all Curable Matters, and (iii) the later of (A) the Outside Date and (B) the expiration of a period of 15 days from such notice (the "**Termination Period**"). If such notice has been delivered prior to the date of the Special Meeting, such meeting shall, unless the parties agree otherwise, be postponed or adjourned until the earlier of (1) the date that is 2 business days after the date that Company or Parent, as the case may be, notifies the other that all Curable Matters have been cured, and (2) the expiry of the Termination Period unless this Agreement is terminated on such date. If such notice has been delivered prior to the making of the application for the Final Order or the filing of the articles of arrangement for acceptance by the Director, such application and such filing shall be postponed until the earlier of (x) the date that is 2 business days after the date that Company or Parent, as the case may be, notifies the other that all Curable Matters have been cured, and (y) the expiry of the Termination Period unless this Agreement is terminated on such date. For greater certainty, if all Curable Matters are cured within the Termination Period without being Materially Adverse, this Agreement may not be terminated as a result of the Curable Matter having been cured.

In the event of the termination of this Agreement as provided in this Section 8.1, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of Parent, Buyer or Company hereunder except as set forth in Section 2.2(b), the last sentence of Section 5.6(a), the last sentence of Section 5.10, this Article 8, Article 9, Section 10.3 and Article 11, which provisions shall survive the termination of this Agreement; provided further that, subject to Section 9.3, the termination of this Agreement in accordance with this Section 8.1 shall not relieve any party from any liability for any material breach by it of this Agreement. A termination of this Agreement shall not constitute a termination of the Confidentiality Agreement which shall continue in full force and effect in accordance with its terms.

8.2 Amendment

This Agreement, including the Plan of Arrangement, may be amended by written agreement of the parties at any time before and after the Special Meeting, but not later than the Effective Date and any such amendment may, subject to applicable Law or the Interim Order, without limitation:

- (a) change the time for performance of any of the obligations or acts of the parties;
- (b) waive any inaccuracies in or modify any representation or warranty contained in this Agreement or any document to be delivered pursuant to this Agreement;
- (c) waive compliance with or modify any of the covenants contained in this Agreement or waive or modify performance of any of the obligations of the parties; and/or
- (d) waive compliance with or modify any condition precedent contained in this Agreement.

8.3 Approval of Amendments

Company and Parent will use all commercially reasonable efforts to obtain the approvals of the Court and Shareholders in respect of any amendments to this Agreement, including the Plan of Arrangement, to the extent required by applicable Law.

ARTICLE 9 - TERMINATION PAYMENTS

9.1 Payment to Parent

Provided that neither Parent nor Buyer is in breach of or has failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, where such breach or failure would render Parent or Buyer, as the case may be, incapable of consummating the Transactions.

- (a) If there has been a Change of Recommendation by Company's board of directors, and the Shareholders do not approve the Arrangement at the Special Meeting, Company shall immediately following such Special Meeting pay (or cause to be paid) the Termination Fee to Parent in immediately available funds to an account designated by Parent.
- (b) If Parent exercises its right of termination pursuant to Section 8.1(c)(iii) [Board Recommendation; Confirmation of Board Recommendation; Change of Board Recommendation; Breach of Non-Solicit] or Section 8.1(c)(iv), then Company shall immediately pay (or cause to be paid) the Termination Fee to Parent in immediately available funds to an account designated by Parent.
- (c) If this Agreement is terminated pursuant to (I) Section 8.1(c)(v) in the circumstances where there has been no Change of Recommendation, or (II) Section 8.1(c)(vi)(B)(2); and (i) prior to the time of the Special Meeting, an Alternative Transaction has been publicly announced and has not been withdrawn prior to the Special Meeting, and (ii) at any time within the 12 months after the date of such termination, Company approves, recommends, accepts, or enters into any agreement, undertaking or arrangement in respect of, or Company or its Shareholders consummate, an Acquisition Proposal, then Company shall immediately pay (or cause to be paid) to Parent the Termination Fee, or, if Parent Expenses have previously been paid pursuant to Section 9.1(d), an additional cash amount equal to the difference between the Termination Fee and the Parent Expenses in immediately available funds to an account designated by Parent.
- (d) If Parent exercises its right of termination pursuant to Section 8.1(c)(vi); or Section 8.1(c)(vii); then Company shall immediately pay (or cause to be paid) to Parent, in immediately available funds to an account designated by Parent, Parent's reasonable and documented out-of-pocket expenses (excluding any financial advisor fees that were agreed to be contingent upon a successful completion of the Transactions) incurred in connection with this Agreement up to a maximum of \$3 million (such amount so paid, the "**Parent Expenses**").

For greater certainty, and except as set forth in subparagraph (c) of this Section 9.1, in no circumstance shall Company be obligated to make a payment under more than one of subparagraphs (a), (b), (c) and (d) of this Section 9.1.

9.2 Payment to Company

Provided that Company is not in breach of or has failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, where such breach or failure would render Company incapable of consummating the Transactions.

- (a) If Parent shall be unable to pay on the Effective Date in full the aggregate Consideration for any reason other than the failure of any condition set out on Schedule B or Schedule D to be satisfied, Parent shall immediately thereafter pay (or cause to be paid) the Reverse Termination Fee to Company in immediately available funds to an account designated by Company.

- (b) If (i) Company is unable to obtain any applicable HSR Approval or (ii) Parent breaches the covenants set forth in Section 10.7(a) with respect to any required Novation Agreement or Other FAR 42.12 Agreement, then Parent shall immediately thereafter pay (or cause to be paid) to Company, in immediately available funds to an account designated by Company, Company's reasonable and documented out-of-pocket expenses (excluding any financial advisor fees that were agreed to be contingent upon a successful completion of the Transactions) incurred in connection with this Agreement up to a maximum of \$3 million (such amount so paid, the "**Company Expenses**"); provided, however that the right to receive the Company Expenses pursuant to this Section 9.2(b) shall not be available to Company if its failure to fulfill any of its obligations under this Agreement, including Sections 5.2 and 10.7, has been the cause of, or resulted in the failure of Parent being unable to obtain any applicable HSR Approval in the case of clause (i) above or required Novation Agreement or Other FAR 42.12 Agreement in the case of clause (ii) above.

For greater certainty, in no circumstances shall Parent be obligated to make a payment under more than one of subparagraphs (a) and (b) of this Section 9.2.

9.3 Damages

The parties acknowledge and agree that the payment of the Termination Fee or other amounts set forth in Section 9.1, or the Reverse Termination Fee or other amounts set forth in Section 9.2, as the case may be, are payments of liquidated damages which are a genuine pre-estimate of the damages which Parent and Buyer, or Company, would suffer or incur as a result of the event giving rise to such damages and the resultant termination of this Agreement and are not a penalty. The parties further acknowledge and agree, however, that, notwithstanding any other provision in this Agreement to the contrary, in connection with any termination of this Agreement where a Termination Fee or other amount set forth in Section 9.1, or the Reverse Termination Fee or other amounts set forth in Section 9.2, is not paid or payable, Company, Parent and Buyer shall be entitled to any additional remedies set forth in this Agreement, including injunctive relief and specific performance, and all additional and other remedies available at law or in equity to which Company, Parent or Buyer, as applicable, may be entitled. Company, Parent and Buyer each irrevocably waive any rights they may have to raise a defence that any amounts that are required to be paid to Parent pursuant to Section 9.1, or to Company pursuant to Section 9.2, are excessive or punitive. Parent and Buyer, and Company, as the case may be, agree that the payment of the Termination Fee and other amounts set forth in Section 9.1, or the Reverse Termination Fee or other amounts set forth in Section 9.2, are the sole and exclusive remedies of Parent and Buyer, or Company, as the case may be, in respect of the events giving rise to the payment of such amounts; provided that the foregoing limitations shall not apply in the event of fraud or willful breach of this Agreement by a party. Notwithstanding any provision set forth in this Agreement to the contrary, including the provisions of this Section 9.3, the provisions of Section 9.2(a) shall provide Company's sole and exclusive remedy for the circumstances contemplated in Section 9.2(a).

ARTICLE 10 - PARENT, BUYER AND COMPANY COVENANTS

10.1 Indemnities

From and after the Effective Time, and subject to Section 10.2, Company shall, and Buyer shall cause Company to indemnify and hold harmless and provide advancement of expenses to, and honour all exculpation rights of, all present and past directors and officers of any member of Company and its Subsidiaries (the "**Indemnified Persons**") pursuant to all rights to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the Effective Time and rights to advancement of expenses relating thereto now existing in favour of any Indemnified Person as provided in the articles of incorporation or by-laws or comparable organizing documents of any member of Company and its Subsidiaries or any indemnification contract or policy between such Indemnified Person and any member of Company and its Subsidiaries existing on the date hereof. Such rights shall survive the Effective Time and shall not be amended, repealed or otherwise modified in any manner that would adversely affect any right thereunder of any such Indemnified Person.

10.2 Directors and Officers Insurance and Other Indemnification Matters

- (a) Directors and Officers Insurance Coverage. Prior to the Effective Time, Company shall secure directors' and officers' liability tail insurance coverage effective at the Effective Time from a reputable and financially sound insurance carrier and containing terms and conditions that are no less advantageous as a whole to the directors and officers of Company and its Subsidiaries or Company and its Subsidiaries itself than those contained in Company's policy in effect on the date hereof for the current and former directors and officers of each member of Company and its Subsidiaries and Company and its Subsidiaries on a 6 year "trailing" (or "run-off") basis with respect to any claim related to any period of time at or prior to the Effective Time; provided, however, that Company shall not obtain policies providing such coverage except to the extent such coverage can be provided at an annual cost of no greater than 200% of the most recent annual premium paid by Company prior to the date hereof (the "**Premium Cap**"); and provided, further, that if equivalent coverage cannot be obtained, or can be obtained only by paying an annual premium in excess of the Premium Cap, Company shall only obtain coverage limits as can be obtained by paying an annual premium equal to the Premium Cap, beginning with the primary coverage of the type currently in place. Company may expend more than the Premium Cap only with the written consent of Parent.

If any member of Company and its Subsidiaries or any of their respective successors or assigns shall (i) amalgamate, consolidate with or merge or wind-up into any other person and shall not be the continuing or surviving corporation or entity, or (ii) transfer all or substantially all of its properties and assets to any person, then, and in each such case, Parent shall assume all of the obligations of Company set forth in Sections 10.1 and 10.2.

- (b) Director and Officer Indemnification. Parent shall cause, for a period of at least 6 years from the Effective Date, the organizing documents of Company as of the Effective Date to contain provisions no less favourable with respect to exculpation and indemnification of directors, officers, and employees from and against liabilities arising prior to the Effective Date than are set forth in the organizing documents of Company as of the Effective Date, except as required by applicable Law.

10.3 Third Party Beneficiaries

This Agreement is not intended to, and shall not, confer upon any other person any rights or remedies hereunder, except as required under applicable Law, or as set forth in or contemplated by the terms and provisions of Sections 4.4, 9.3, 10.1, 10.2, 11.14, this Section 10.3, the last sentence of Section 2.2(b), and the first sentence of Section 5.9 (which provisions shall for greater certainty survive the Effective Time and continue in full force and effect in accordance with their terms after the Effective Time), and the benefit of which provisions shall be deemed to have been received by Parent, Buyer or Company, as applicable, in trust, and will be held in trust, for the benefit of the third parties contemplated thereby, with the intention that such third parties shall be entitled to the benefit thereof, including direct rights of enforcement.

10.4 Guarantee

Parent unconditionally and irrevocably guarantees and agrees to be jointly and severally liable with Buyer for the due and punctual performance of each and every obligation of Buyer arising under this Agreement and in respect of the Transactions.

10.5 Termination or Other Disposition of Plans.

- (a) Termination Actions. Effective no later than the day before the Effective Time, Company and its Subsidiaries shall terminate its only Qualified Plan and such other Employee Benefit Plans as are set forth on Schedule 10.5. Before the Effective Time, Company shall provide to Buyer (a) copies of duly adopted board resolutions terminating the Qualified Plan and such other Employee Benefit Plans as are set forth on Schedule 10.5, and (b) an executed amendment to the Qualified Plan sufficient to assure compliance with all applicable requirements of the Code and regulations thereunder applicable to terminate such a plan. Notwithstanding anything in this Agreement or the Qualified Plan to the contrary, before the Effective Time, Company shall contribute all unpaid employer contributions (including matching contributions) to the Qualified Plan or provide for an appropriate accrual of such amounts.
- (b) Disposition of Apotex Plan. Effective on a day that is no later than the day before the Effective Time (the "**Cessation Date**"), Company shall take such action to withdraw from its participation in the Pension Plan for Employees of Apotex, Inc. and Associated Companies (the "**Apotex Plan**") and take such action to establish a defined contribution pension plan (the "**Successor Plan**") that is no less favourable in the aggregate to the defined contribution provision of the Apotex Plan to which the accounts of Company employees or employees of any wholly-owned Subsidiary of Company who were active members of the Apotex Plan as of the Cessation Date ("**Transferred Members**") may be transferred. Before the Effective Time, Company shall provide to Buyer copies of (i) duly adopted resolutions or evidence of authority to take such action, (ii) all amendments to the Apotex Plan necessary to effect such withdrawal, (iii) a copy of the Successor Plan, (iv) a copy of the funding agreement with respect to the Successor Plan, (v) a copy of the Statement of Investment Policies & Procedures for the Successor Plan, and (vi) a copy of the employee booklet and any other summary of provisions of the Successor Plan provided to members of the Successor Plan and their beneficiaries. Effective as of the date following the Cessation Date, Company shall cause Transferred Members to become members of the Successor Plan.

10.6 Employee Matters and Employee Benefit Matters

- (a) Employment in general.
- (i) As of the Effective Date, each then-current Company employee or employee of any wholly-owned Subsidiary of Company (each, a "**Continuing Company Employee**") shall remain an employee of Company or of any wholly-owned Subsidiary of Company, or be made an employee of Parent or Buyer. Other than as otherwise specified in this Section 10.6, nothing in this Agreement or this Section 10.6(a) shall limit Parent's ability to modify the conditions of or terminate the employment of any Continuing Company Employee at any time after the Effective Date (subject to the limitations set forth under any Employment Agreement, Parent severance pay plan, policy, practice or procedure, or applicable Law).
- (ii) At least 5 business days before the Effective Date, Company will provide Parent and Buyer a list of all the current Business Personnel as of such date along with their compensation and accrued holiday, vacation or personal leave time contemplated as of the Effective Date, pay cycles for all groups of employees, original hire date, home

address, status under the United States Fair Labor Standards Act, as amended, and analogous laws, and base pay rate. Company shall update such list as of the Effective Date.

(iii) For the avoidance of doubt, Parent and Buyer shall be responsible for any obligation with respect to the Business Personnel under the United States Worker Adjustment Retraining and Notification Act of 1988, any state, local, or provincial equivalent including the Employment Standards Code (Manitoba) (collectively, "WARN") arising or accruing on or after the Effective Date. The parties hereto agree to cooperate in good faith to determine whether any notification may be required under WARN as a result of the Transactions.

(b) Employee Benefits – United States Employees.

(i) Parent currently intends, subject to its ongoing review of Company's terms and conditions of employment, to provide to each Continuing Company Employee ordinarily resident in the United States terms and conditions of employment that are comparable in the aggregate (including with respect to base pay and Employee Benefit Plans, and including equity-based or other incentive compensation plans for executive employees in appropriately comparable subsidiary positions of Parent) to such terms and conditions of employment that Parent provides, in the aggregate, as of the date hereof to similarly situated Parent employees (including awarding service credit to each Continuing Company Employee for his or her past service with Company for purposes of eligibility and vesting only in each such Employee Benefit Plan of Parent, but not benefit accrual, for any of Parent's Employee Benefit Plans; provided, however, that in no event shall such credit result in the duplication of benefits. With regard to severance, however, notwithstanding the foregoing expression of intent, Parent currently intends that each Continuing Employee's service with Company shall be counted for determining the amount of severance from Parent.)

(ii) Parent currently intends, subject to its ongoing review of Company's plans and benefits, to offer to and extend to Continuing Company Employees the medical, dental, health, vision, dependent care, life insurance and disability plans, and other fringe and severance benefits of Parent applicable to Continuing Company Employees ordinarily resident in the United States under the terms and conditions of such Parent plans and benefits then in effect. Notwithstanding the foregoing expression of intent, for purposes of providing group health plan coverage, (A) Parent shall provide the Continuing Employees with health plan coverage identical or comparable to that provided to Parent's employees, and (B) Parent shall waive, or cause to be waived, all pre-existing conditions or eligibility waiting periods for each Continuing Company Employee (and for the spouse and dependents of each such Continuing Company Employee) covered by Parent's group health plan. Parent also currently intends to allow Continuing Company Employees to participate immediately in its 401(k) plan, under the terms of such plan, giving credit for vesting and eligibility for service with Company or its Subsidiaries.

(c) Employee Benefits – Canadian Employees.

(i) Parent currently intends, subject to its ongoing review of Company's terms and conditions of employment, and subject to applicable Law, to provide to each Continuing Company Employee ordinarily resident in Canada terms and conditions of employment that are substantially comparable in the aggregate (including with respect to base pay and Employee Benefit Plans), than such terms and conditions of employment that Company provides, in the aggregate as of the date hereof, to Company employees (including awarding service credit to each Continuing Company Employee for his or her past service with Company for purposes of eligibility and vesting only, but not benefit accrual, for any of Parent's employee benefit plans; provided, however, that in no event shall such credit result in the duplication of benefits).

(ii) Parent currently intends, subject to its ongoing review of Company's plans, to continue Company's Employee Benefit Plans, programs, policies, practices and procedures, to include (by way of example but not limitation) the following benefits: Medical, Prescription Drug, Dental, Vision, Life Insurance, Holiday Pay, Paid Time Off, Short and Long Term Disability, Tuition Reimbursement, and Severance (in compliance with applicable Law) and to make available equity based or other incentive compensation plans for Canadian executive employees of Company in appropriately comparable subsidiary positions to those of Parent.

(iii) With respect to severance, however, notwithstanding the foregoing expression of intent, Parent currently intends that each Continuing Employee's service with Company shall be counted for determining the amount of severance from Parent.

(d) Nothing in this Section 10.6 or any other provision of this Agreement shall (i) create or confer any right of continued employment for any person, (ii) be construed to establish, amend or modify any Employee Benefit Plan, compensation arrangement or other employment agreement, (iii) subject to Section 10.5, prohibit or limit the ability of Parent or any of its Affiliates to amend, modify or terminate without notice any benefit or compensation plan, program, agreement or arrangement at any time assumed, established, sponsored or maintained by any of them, (iv) limit or restrict any right which employees may presently enjoy under contract or common-law or (v) confer any rights or benefits, including any third-party beneficiary rights, on any current Company employee or employee of any wholly-owned Subsidiary of Company person.

(e) Continuing Company Employee Transferees. Parent currently intends, subject to Parent's existing and future plans and policies, to continue such programs and policies as currently are in force to compensate or equalize the compensation packages of Canadian citizen employees who work as expatriates in the United States, or United States citizen employees who work as expatriates in Canada, pursuant to Company's request for such assignment or secondment.

10.7 Novation

(a) Parent, Buyer and Company shall act diligently and reasonably, and shall cooperate with each other, to secure any Novation Agreement or Other FAR 42.12 Agreement from any Agency required to be obtained by them in order to permit the consummation of the Transactions.

(b) To the extent that any Novation Agreement or Other FAR 42.12 Agreement is required and in the event that any and all Novation Agreements or Other FAR 42.12 Agreements of any Assigned Contract, or any right or benefit arising thereunder or resulting therefrom, shall not have been obtained within 90 days after the Effective Date, then this Agreement, to the extent permitted by Law, shall constitute full and equitable assignment by Company to Buyer of all of right, title and interest of Company in and to, and all liabilities of Company under, such Assigned Contracts, and Buyer shall be deemed Company's agent for purpose of completing, fulfilling and discharging all liabilities of Company under any such Assigned Contract. The parties shall take all necessary steps and actions to provide Buyer with the benefits of such Assigned Contracts, and to relieve Company of the performance and other obligations thereunder, including entry into subcontracts for the performance thereof. Parent and Buyer agree to pay, perform and discharge, and indemnify Company against and hold Company harmless from, all liabilities of Company relating to such performance or failure to perform under such Assigned Contracts provided that Buyer receives the rights and benefits thereunder.

(c) In the event that Company shall be unable to make the equitable assignment described in Section 10.7(b), or if such attempted assignment would give rise to any right of termination, or would otherwise adversely affect the rights of Company or Buyer under any such Assigned Contract, or would not assign all of the rights of Company thereunder, Company and Buyer shall continue to cooperate and use all reasonable efforts to provide Buyer with all such rights.

ARTICLE 11 - GENERAL

11.1 Confidentiality and Public Disclosure

Company and Parent shall consult with each other as to the general nature of any news releases or public statements with respect to this Agreement or the Transactions, and shall use their respective commercially reasonable efforts not to issue any news releases or public statements inconsistent with the results of such consultations. Subject to applicable Law, each party shall use its commercially reasonable efforts to enable the other party to review and comment on all such news releases and public statements prior to the release thereof. Company and Parent shall consult with each other in preparing and making any filings and communications in connection with any Regulatory Approvals and in seeking any third-party consents contemplated in Section 5.2 or Novation Agreements or Other FAR 42.12 Agreements contemplated in Section 10.7.

11.2 Assignment

Except as expressly permitted by the terms hereof, neither this Agreement including (for greater certainty) the Plan of Arrangement, nor any of the rights, interests or obligations hereunder or thereunder shall be assigned by any of the parties without the prior written consent of the other parties. Parent and Buyer may each assign all or any part of its rights or obligations under this Agreement to one or more of its direct or indirect wholly-owned Subsidiaries or any combination thereof provided that if such assignment takes place, Parent shall continue to be fully liable as primary obligor and not merely as surety and, on a joint and several basis with any such entity, to Company for any default in performance by the assignee of any of Parent's or Buyer's obligations hereunder and Parent agrees to provide to Company a guarantee in form and substance satisfactory to Company in respect thereof.

11.3 Binding Effect

This Agreement, including (for greater certainty) the Plan of Arrangement, shall be binding upon and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns. No third party shall have any rights under this Agreement except as expressly set forth in Section 10.3.

11.4 Representatives

Each of Company, Parent and Buyer shall ensure that its and its Subsidiaries' Representatives (other than persons who are insiders only as a result of their shareholdings) are aware of the provisions of this Agreement, and each of Company, Parent and Buyer shall be responsible for any breach of those provisions by any of those persons, respectively.

11.5 Responsibility for Expenses

Except as provided in Section 5.10, Section 9.1 and Section 9.2, each party to this Agreement shall pay its own expenses incurred in connection with this Agreement and the completion of the Transactions, whether or not the Arrangement and the Transactions are completed. Notwithstanding the foregoing, Parent and Company shall each be responsible for one half of any fees associated with any filings made pursuant to applicable Antitrust Law.

11.6 Time

Time shall be of the essence of this Agreement in each and every matter or thing herein provided.

11.7 Notices

(a) Each party shall give prompt notice to the other of:

- (i) the occurrence or failure to occur of any event that causes, or would reasonably be expected to cause, any representation or warranty on its part contained in this Agreement to be untrue or inaccurate or; and
- (ii) any material breach of its obligations under this Agreement, provided that no such notification shall affect the representations, warranties, covenants or agreements of the parties or the conditions to the obligations of the parties under this Agreement.

(b) Each of Company and Parent shall give prompt notice to the other of any previously undisclosed fact of which it becomes aware after the date of this Agreement that is, individually or in the aggregate, or would reasonably be expected to be, in the case of Company, Materially Adverse, or, in the case of Parent, that is, or would reasonably be expected to be, materially adverse to the ability of Parent or Buyer to perform its obligations under this Agreement.

(c) Any notice or other communications required or permitted to be given under this Agreement shall be sufficiently given if delivered in person, by overnight courier, or if sent by facsimile transmission (provided such transmission is recorded as being transmitted successfully):

- (i) in the case of Company, to the following address:

Cangene Corporation
155 Innovation Drive
Winnipeg, MB, Canada
R3T 5Y3

Attention: Francis St. Hilaire, General Counsel

Tel: (204) 275-4540
Facsimile: (204) 275-4021

with a copy to (which shall not constitute notice):

Miller Thomson LLP
Attention: Robert E. Forbes
Jay M. Hoffman

Scotia Plaza
40 King Street West
Suite 5800
Toronto, ON M5H 3S1

Tel: (416) 595-8050
Facsimile: (416) 595-8695

and

Baker & Hostetler LLP
45 Rockefeller Plaza
New York, New York 10111
Attention: Steven H. Goldberg
Kelley P. Doran
Facsimile: (212) 589-4201

- (ii) in the case of Parent or Buyer, to the following address:

Emergent BioSolutions Inc.
Attention: General Counsel
2273 Research Boulevard
Suite 400
Rockville, MD 20850

Tel: (301) 795-1800
Facsimile: (301) 795-6783

with a copy to (which shall not constitute notice):

DLA Piper (US) LLP
Attention: Howard Schwartz
The Marbury Building
6225 Smith Avenue
Baltimore, Maryland 21209-3600

Tel: (410) 580-4251
Facsimile: (410) 580-3251

and:

McCarthy Tétrault LLP
Attention: Graham Gow
Ian Michael
66 Wellington Street West
Suite 5300
Toronto-Dominion Bank Tower
Toronto, Ontario M5K 1E6

Tel: (416) 362-1812
Facsimile: (416) 868-0673

or at such other address as the party to which such notice or other communication is to be given has last notified the party giving the same in the manner provided in this Section 11.7, and if so given, the same shall be deemed to have been received on the date on which it was delivered in person or sent by overnight courier or facsimile transmission.

11.8 Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable herein. Each party hereto irrevocably submits to the exclusive jurisdiction of the courts of the Province of Ontario with respect to any matter arising hereunder or related hereto.

11.9 Injunctive Relief

Except as otherwise provided herein (including Article 9), any and all remedies herein expressly conferred upon a party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by Law or equity upon such party, and the exercise by a party of any remedy will not preclude the exercise of any other remedy. The parties hereto hereby agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached, and that money damages or other legal remedies would not be an adequate remedy for any such damages. Accordingly, the parties hereto acknowledge and hereby agree that in the event of any breach or threatened breach by Company, on the one hand, or Parent or Buyer, on the other hand, or any of their respective covenants or obligations set forth in this Agreement, Company, on the one hand, and Parent and Buyer, on the other hand, shall be entitled to an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement by the other, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other under this Agreement. Each of the parties hereto hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches or threatened breaches of this Agreement by it, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other party under this Agreement.

The parties hereto further agree that, except as provided herein (including Article 9) (a) by seeking the remedies provided for in this Section 11.9, a party shall not in any respect waive its right to seek any other form of relief that may be available to a party under this Agreement in the event that this Agreement has been terminated or in the event that the remedies provided for in this Section 11.9 are not available or otherwise are not granted, and (b) nothing set forth in this Section 11.9 shall require any party hereto to institute any proceeding for (or limit any party's right to institute any proceeding for) specific performance under this Section 11.9 prior to or as a condition to exercising any termination right under Section 8.1 (and pursuing damages after such termination), nor shall the commencement of any legal proceeding restrict or limit any party's right to terminate this Agreement in accordance with the terms of Section 8.1 or pursue any other remedies under this Agreement that may be available then or thereafter.

11.10 Entire Agreement

This Agreement, including the Plan of Arrangement, constitutes the entire agreement of the parties with respect to the Transactions, as of the date of this Agreement, and shall supersede all agreements, understandings, negotiations and discussions whether oral or written, between the parties, including the Exclusivity Agreement, with respect to the Transactions on or prior to the date of this Agreement, other than the Confidentiality Agreement.

11.11 Further Assurances

Each party hereto shall, from time to time, and at all times hereafter, at the request of the other party, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof and of the Plan of Arrangement.

The parties shall act in a commercially reasonable manner in exercising their rights and performing their duties under this Agreement.

11.12 Waivers and Modifications

Company and Parent (for itself and on behalf of Buyer) may waive or consent to the modification of, in whole or in part, any inaccuracy of any representation or warranty made to it under this Agreement or in any document to be delivered pursuant to this Agreement and may waive or consent to the modification of any of the obligations contained in this Agreement for its benefit or waive or consent to the modification of any of the obligations of the other party. Any waiver or consent to the modification of any of the provisions of this Agreement, to be effective, must be in writing executed by the party granting such waiver or consent.

11.13 Privacy Issues

(a) For the purposes of this Section 11.13, the following definitions shall apply:

- (i) "**applicable law**" means, in relation to any person, transaction or event, all applicable Law by which such person is bound or having application to the transaction or event in question, including applicable privacy laws;
- (ii) "**applicable privacy laws**" means any and all applicable Law governing the collection, use and disclosure of Personal Information in all applicable jurisdictions, including the *Personal Information Protection and Electronic Documents Act* (Canada) and/or applicable provincial law;
- (iii) "**authorized authority**" means, in relation to any person, transaction or event, any: (A) federal, state, provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign; (B) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government; (C) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions; and (D) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such person, transaction or event; and
- (iv) "**Personal Information**" means information (other than business contact information when used or disclosed for the purpose of contacting such individual in that individual's capacity as an employee or an official of an organization and for no other purpose) about an identifiable individual, whether recorded or not, disclosed or transferred to Parent by Company in accordance with this Agreement and/or as a condition of the Arrangement and includes personal health information.

(b) The parties hereto acknowledge that they are responsible for compliance at all times with applicable privacy laws which govern the collection, use or disclosure of Personal Information, including the disclosure or transfer of Personal Information to another party pursuant to or in connection with this Agreement (the "**Disclosed Personal Information**").

Prior to the completion of the Arrangement, none of the parties shall use or disclose the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Transactions. After the completion of the Transactions, a party may only collect, use and disclose the Disclosed Personal Information for the purposes for which the Disclosed Personal Information was initially collected from or in respect of the individual to which such Disclosed Personal Information relates, for a consistent purpose, or for the completion of the Transactions, unless: (i) any party shall have first notified such individual of such additional purpose, and where required by applicable law, obtained the consent of such individual to such additional purpose; or (ii) such use or disclosure is permitted or authorized by applicable law, without notice to, or consent from, such individual. Company shall notify Parent of the purposes for which the Disclosed Personal Information was initially collected prior to the Effective Date.

- (c) each party acknowledges and confirms that the disclosure of the Disclosed Personal Information is necessary for the purposes of determining if the parties shall proceed with the Arrangement, and that the Disclosed Personal Information relates solely to the carrying on of the Business or the completion of the Transactions.
- (d) Each party acknowledges and confirms that it has taken and shall continue to take reasonable steps to, in accordance with applicable law, prevent the theft, loss or unauthorized use, processing, disclosure, alteration, or destruction of Disclosed Personal Information in its custody or control.
- (e) Subject to the following provisions, each party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the parties' obligations hereunder. Prior to the completion of the Transactions, each party shall take reasonable steps to ensure that access to the Disclosed Personal Information shall be restricted to those employees or advisors of the respective party who have a *bona fide* need to access such information in order to complete the Arrangement.
- (f) Where authorized by applicable law, each party shall promptly notify the other parties of all inquiries, complaints, requests for access, variations or withdrawals of consent and claims of which the party is made aware in connection with the Disclosed Personal Information. To the extent permitted by applicable Law, the parties shall fully co-operate with one another, with the persons to whom the Personal Information relates, and any authorized authority charged with enforcement of applicable privacy laws, in responding to such inquiries, complaints, requests for access, variations or withdrawals of consent and claims.
- (g) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of any party, the other parties shall forthwith cease all use of the Disclosed Personal Information acquired by them in connection with this Agreement and will return to the requesting party or, at the requesting party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies thereof) in its possession.

11.14 Liability

No director or officer of Parent or Buyer shall have any personal liability whatsoever to Company or any third party beneficiary under this Agreement, or any other document delivered in connection with the Transactions on behalf of Parent or Buyer. No director or officer of Company shall have any personal liability whatsoever to Parent or Buyer under this Agreement, or any other document delivered in connection with the Transactions on behalf of Company.

11.15 Counterparts

This Agreement may be signed in any number of counterparts (by facsimile or otherwise), each of which shall be deemed to be original and all of which, when taken together, shall be deemed to constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce more than one counterpart.

11.16 Severability

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner that is or would reasonably be expected to be, individually or in the aggregate, Materially Adverse or materially adverse to the ability of Purchaser or Buyer to perform its obligations under this Agreement. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the Transactions are fulfilled to the maximum extent possible.

* * * * *

[Signature page follows]

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the date first written above.

CANGENE CORPORATION

By: /s/ JOHN SEDOR
Name: John Sedor
Title: Chief Executive Officer

EMERGENT BIOSOLUTIONS INC.

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: President and CEO

2396638 ONTARIO INC.

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: Vice President

**SCHEDULE A
PLAN OF ARRANGEMENT**

SCHEDULE A – INTERPRETATION

1.1 Definitions. In this Plan of Arrangement:

"**affiliate**" has the meaning corresponding to "**affiliated companies**" in the *Securities Act* (Ontario), as amended.

"**Agency**" means any domestic or foreign court, tribunal, federal, state, provincial or local government or governmental agency, department or authority or other regulatory authority (including the TSX) or administrative agency or commission (including the Securities Commissions and the CRA) or any elected or appointed public official.

"**Arrangement**" means an arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations hereto made in accordance with this Plan of Arrangement or made at the direction of the Court.

"**Arrangement Agreement**" means the arrangement agreement made as of December 11, 2013 between Company, Buyer and Parent to which this Plan of Arrangement is attached as Schedule A and forms a part, as amended, supplemented and/or restated in accordance with its terms.

"**business day**" means any day other than a Saturday, Sunday, a public holiday or a day on which commercial banks are not open for business in Winnipeg, Manitoba, Toronto, Ontario or Rockville, Maryland under applicable Law.

"**Buyer**" means 2396638 Ontario Inc., a corporation incorporated under the laws of Ontario.

"**Common Shares**" means common shares in the capital of Company.

"**Company**" means Cangene Corporation, a corporation amalgamated under the laws of Ontario.

"**Company Circular**" means the notice of special meeting and accompanying management information circular of Company, including all appendices thereto, to be sent to Shareholders in connection with the Special Meeting.

"**Consideration**" means the cash amount per Common Share calculated by dividing \$222,000,000 by the number of outstanding Common Shares as at the Effective Date. Based upon there being 68,456,172 Common Shares outstanding on the Effective Date (after exercise of all outstanding Stock Options), the Consideration will be \$3.24.

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"**CRA**" means the Canada Revenue Agency.

"**Depository**" means the person acting as depository under the Arrangement Agreement.

"**Dissent Rights**" has the meaning set out in Section 3.1.

"**Dissenting Shareholders**" means holders of Common Shares that have exercised Dissent Rights and are ultimately entitled to be paid the fair value of their Common Shares as determined in accordance with Section 3.1.

"**Effective Date**" means the date on or before the Outside Date on which the Arrangement becomes effective in accordance with the OBCA and the Final Order.

"**Effective Time**" means the time on the Effective Date that the Arrangement becomes effective in accordance with its terms.

"**Final Order**" means the final order of the Court approving the Arrangement, as such order may be amended by the Court, at any time before the Effective Time, or if appealed, unless that appeal is withdrawn or denied, as affirmed or as amended on appeal.

"**Holdco**" has the meaning given to it in Section 2.5;

"**Holdco Agreement**" means a share purchase agreement, in the form approved by Parent, acting reasonably, to be entered into between Parent, Buyer, a Holdco and all of the Holdco Shareholders of such Holdco, providing for the transfer of all of the issued and outstanding Holdco Shares of such Holdco to Buyer in accordance with this Plan of Arrangement and containing (i) the terms and conditions set forth in Section 2.5; (ii) such representations and warranties, terms and conditions and indemnities as Parent and Buyer may reasonably request and (iii) the requirement for such Holdco Shareholder to arrange for the provision of a legal opinion of legal counsel to such Holdco in form satisfactory to Parent, acting reasonably, in connection with the transfer of such Holdco Shares, based on customary certificates of officers of such Holdco and assumptions, to the effect that: the Holdco is a subsisting corporation or equivalent under its governing laws; the Holdco Shareholders are the registered holders of all outstanding shares of the Holdco based solely on the registers of the Holdco; all necessary corporate action has been taken by the Holdco Shareholder to authorize the execution, delivery and performance of the share purchase agreement; the execution, delivery and performance of the share purchase agreement by the Holdco Shareholder does not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of all currently effective articles and by-laws of the Holdco; and the share purchase agreement constitutes a legal, valid and binding obligation of the Holdco Shareholder enforceable against the Holdco Shareholder in accordance with its terms;

"**Holdco Document Deadline**" means 4:30 p.m. (Toronto time) on the sixth business day immediately prior to the date of the Special Meeting;

"**Holdco Shareholder**" means a holder at the relevant time of Holdco shares;

"**Holdco Shares**" means all of the issued and outstanding shares of a Holdco;

"**holder**" means a holder of Common Shares, Holdco Shares or Stock Options, as the context requires.

"**including**" means "including without limitation" and "**includes**" means "includes without limitation".

"**Interim Order**" means an interim order of the Court, as may be amended by the Court, providing for, among other things, the calling and holding of the Special Meeting.

"**ITA**" means the *Income Tax Act* (Canada), as amended.

"**Law**" means all laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, protocols, codes, guidelines, published policies, notices, directions and judgements or other requirements of any Agency, in each case having the force of law.

"**Letter of Transmittal**" means the letter of transmittal for use by holders of Common Shares or Holdco Shares, in the form accompanying the Company Circular.

"**Lien**" means any pledges, claims, liens, charges, options, hypothecs, mortgages, security interests, restrictions, adverse rights or any other encumbrances of any kind or nature whatsoever.

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended.

"**Outside Date**" means June 30, 2014 or such later date to which each of Company and Parent may agree in writing.

"**Parent**" means Emergent BioSolutions Inc., a corporation existing under the laws of Delaware.

"**person**" includes any individual, firm, partnership, limited partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Agency, syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" means this plan of arrangement.

"**Securities Commissions**" means the securities regulatory authorities in each of the provinces of Canada.

"**Shareholders**" means the holders at the relevant time of Common Shares or, where the context requires, holders of Holdco Shares.

"**Special Meeting**" means the special meeting of Shareholders, including any adjournment thereof, to be called and held in accordance with the Interim Order to consider the Arrangement.

"**Stock Options**" means options to purchase Common Shares issued pursuant to the amended and restated stock option plan of Company.

"**TSX**" means The Toronto Stock Exchange or its successor.

"**US Dollars**" or "**\$**" means United States dollars.

1.2 Headings and References. The division of this Plan of Arrangement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Plan of Arrangement. Unless otherwise specified, references to Sections are to Sections of this Plan of Arrangement.

1.3 Currency. Except as expressly indicated otherwise, all sums of money referred to in this Plan of Arrangement are expressed and shall be payable in US Dollars.

1.4 Time. Time shall be of the essence in each and every matter or thing herein provided. Unless otherwise indicated, all times expressed herein are local time at Toronto, Ontario.

SCHEDULE B – THE ARRANGEMENT

2.1 Binding Effect. Subject to the terms of the Arrangement Agreement, the Arrangement will become effective at the Effective Time and be binding at and after the Effective Time on Company, Parent, Buyer, each Holdco and all holders and beneficial holders of Common Shares, Holdco Shares and Stock Options.

2.2 The Arrangement. Commencing at the Effective Time, subject to the terms and conditions of the Arrangement Agreement, the following shall occur as part of the Arrangement and shall be deemed to occur in the following order without any further act or formality:

- (a) each issued and outstanding Stock Option shall be cancelled and the holders thereof shall have no further rights or benefits in respect of such Stock Option;
- (b) each issued and outstanding Common Share in respect of which Dissent Rights have been validly exercised before the Effective Time shall be transferred and deemed to be transferred by the registered holder thereof, without any further act or formality on its part, free and clear of all Liens, to Buyer in consideration for a debt claim against Buyer in an amount determined and payable in accordance with the terms of this Plan of Arrangement, and the name of such holder will be removed from the register of holders of Common Shares (in respect of the Common Shares for which Dissent Rights have been validly exercised before the Effective Time), and Buyer shall be recorded as the registered holder of Common Shares so transferred and shall be deemed to be the legal and beneficial owner of such Common Shares free and clear of any Liens;
- (c) each issued and outstanding Common Share held by a Shareholder (other than Common Shares held by Dissenting Shareholders or by a Holdco and other than Common Shares held by Buyer or its affiliates) shall be transferred and deemed to be transferred by the registered holder thereof, without any further act or formality on its part, free and clear of all Liens, to Buyer in consideration of the payment of the Consideration per Common Share, and the name of such holder will be removed from the register of holders of Common Shares, and Buyer shall be recorded as the registered holder of Common Shares so transferred and shall be deemed to be the legal and beneficial owner of such Common Shares free and clear of any Liens; and
- (d) all of the issued and outstanding Holdco shares in respect of each Holdco shall be transferred and deemed to be transferred by the registered holder thereof, without any further act or formality on its part, free and clear of all Liens, to Buyer in consideration of the payment of the aggregate amount equal to the product of the Consideration per Common Share and the aggregate number of Common Shares held by such Holdco to such holder and the name of such holder will be removed from the register of Holdco Shareholders and Buyer shall be recorded as the registered holder of Holdco Shares so transferred and shall be deemed to be the legal and beneficial owner of such Holdco Shares free and clear of any Liens.

2.3 Share Registers. Every shareholder from whom a Common Share or a Holdco Share is acquired pursuant to the Arrangement shall be removed from the register of holders of such shares at the time of that acquisition pursuant to the Arrangement and shall cease to have any rights in respect of such shares, and Buyer shall become the holder of such shares and shall be added to that register at that time and shall be entitled as of that time to all of the rights and privileges attached to such shares.

2.4 Adjustments to Consideration. The consideration to be paid to any holder of Common Shares or Holdco shares shall be adjusted to reflect fully the effect of any stock split, reverse split, stock dividend (including any dividend or distribution of securities convertible into Common Shares, other than stock dividends paid in lieu of ordinary course dividends), reorganization, recapitalization or other like change with respect to Common Shares occurring after the date of the Arrangement Agreement and prior to the Effective Time.

2.5 Holdco Transfers. A Shareholder that wants to transfer, or cause to be transferred, Holdco Shares to Buyer as provided in Section 2.2(d) shall be entitled to do so provided that each of the following conditions are satisfied on or prior to and as of the Effective Time (each of the corporations as so described below and in respect of which such conditions are so satisfied being a "Holdco"):

- (a) the Shareholder has delivered a notice to Parent in the manner set forth in the Company Circular at least 10 days prior to the date of the Special Meeting notifying Parent of such Shareholder's intention to effect the transactions contemplated in this Section 2.5;
- (b) Holdco is incorporated under the OBCA no earlier than January 1, 2014 or such earlier date as is acceptable to Parent in its sole and absolute discretion;
- (c) at the Effective Time, Holdco has no indebtedness or liabilities (except to Buyer under this Plan of Arrangement and the Holdco Agreement) and owns no assets other than the Shares, except for such assets as are acceptable to Parent in its sole and absolute discretion;
- (d) the Shareholder and the Holdco Shareholder indemnify Parent and Buyer for any and all liabilities of Holdco arising or in respect of all periods occurring prior to the Effective Time in a form satisfactory to Parent in its sole discretion;
- (e) the Holdco Shareholder indemnifies Parent for all reasonable expenses incurred directly or indirectly by the Parent in connection with or consequential to the purchase of the Holdco;
- (f) except as may be acceptable to Parent in its sole and absolute discretion, prior to the Effective Time, Holdco will not have any declared and unpaid dividends or other distributions;
- (g) at the Effective Time but prior to giving effect to this Plan of Arrangement, Holdco has no issued shares outstanding other than the Holdco Shares, which shares are common shares, and all such Holdco Shares are owned by only the Holdco Shareholder, who shall be the sole registered and beneficial owner of such Holdco Shares except as may otherwise be acceptable to Parent in its sole and absolute discretion;
- (h) except as may be acceptable to Parent in its sole and absolute discretion, prior to the Effective Time, Holdco has never entered into any transaction (or conducted any business or operations or engaged in any activity) other than those relating to and necessary for the ownership of Common Shares or such other transactions as are necessary to facilitate those transactions described herein or, with Parent's consent, acting reasonably, such other transactions as are necessary to facilitate those transactions described herein;
- (i) the Holdco Shareholder shall prepare and file all income Tax Returns and elections of Holdco up to the end of the taxation year of Holdco ending immediately prior to the acquisition of the Holdco Shares by Buyer subject to Parent's right to approve all such Tax Returns as to form and substance prior to the time such Tax Returns are filed;
- (j) the Holdco Shareholder provides Parent, on or before the Holdco Document Deadline, with copies of all documents necessary to effect the transactions contemplated in this Section 2.5 no later than immediately before the Effective Time, which documents must be approved by Parent in its sole and absolute discretion; and
- (k) the Holdco Shareholders and Holdco shall execute a Holdco Agreement with Parent and Buyer.

SCHEDULE C – DISSENT RIGHTS

3.1 Shareholders may exercise rights of dissent with respect to those Common Shares pursuant to, and (except as expressly indicated to the contrary in this Section 3.1), in the manner set forth in, Section 185 of the OBCA and this Section 3.1 (the "Dissent Rights") in connection with the Arrangement; provided that, notwithstanding Section 185(6) of the OBCA, the written objection to the resolution approving the Arrangement referred to in Section 185(6) of the OBCA must be received by Company not later than 4:30 p.m. (Toronto time) on the day that is 2 business days before the Special Meeting; and provided further that, notwithstanding the provisions of Section 185 of the OBCA, Shareholders who duly exercise Dissent Rights and who:

- (a) ultimately are determined to be entitled to be paid fair value for their Common Shares, which fair value, notwithstanding anything to the contrary contained in Section 185 of the OBCA, shall be determined as of the Effective Time, shall be deemed to have transferred those Common Shares to Buyer as of the Effective Time at the fair value of the Common Shares determined as of the Effective Time, without any further act or formality and free and clear of all Liens, to Buyer; or
- (b) ultimately are determined not to be entitled, for any reason, to be paid fair value for their Common Shares, shall be deemed to have participated in the Arrangement as of the Effective Time on the same basis as a holder of Common Shares who has not exercised Dissent Rights and shall receive cash consideration in respect of their Common Shares as if such Common Shares would not have exercised Dissent Rights,

but in no case shall Company, Parent, Buyer, the Depositary or any other person be required to recognize any such holder as a Shareholder after the Effective Time, and the names of each such holder shall be deleted from the register of Shareholders at the Effective Time. A Shareholder who elects to sell Common Shares to Buyer by selling Holdco Shares will not have Dissent Rights. For greater certainty, and in addition to any other restriction under Section 185 of the OBCA, a Shareholder who has voted, or instructed a proxyholder to vote, for the Arrangement at the Special Meeting shall not be entitled to exercise Dissent Rights with respect to the Arrangement.

SCHEDULE D – SHARE DEPOSIT AND PAYMENT

4.1 Upon surrender to the Depositary for cancellation of a certificate or certificates (as applicable) which, immediately prior to the Effective Time, represented outstanding Common Shares or Holdco Shares that were transferred pursuant to Section 2.2(c) or 2.2(d), together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, each Shareholder represented by such surrendered certificate(s) shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder, after the Effective Time, the consideration which such holder has the right to receive under this Plan of Arrangement for such Common Shares or Holdco Shares, less any amounts withheld as provided under the Arrangement Agreement, and any certificate(s) so surrendered shall forthwith be cancelled.

4.2 From and after the Effective Time, each certificate that immediately prior to the Effective Time represented Common Shares or Holdco Shares shall be deemed to represent only the right to receive the consideration in respect of such Common Shares or Holdco Shares required under this Plan of Arrangement, less any amounts withheld as provided under the Arrangement Agreement. Any such certificate formerly representing Common Shares or Holdco Shares not duly surrendered on or before the sixth anniversary of the Effective Date shall cease to represent a claim by, or interests of, any former holder of Common Shares or Holdco Shares of any kind or nature against, or in, Company, Parent, Buyer or Holdco. On such date, all cash to which such former holder was entitled shall be deemed to have been surrendered to Buyer.

4.3 No former Shareholder shall be entitled to receive any consideration with respect to such Common Shares or Holdco Shares other than the consideration to which such former holder is entitled to receive in accordance with Section 2.2(c) or 2.2(d) and, for greater certainty, no such Shareholder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

4.4 Lost Certificates. In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Common Shares or Holdco Shares that were transferred pursuant to Section 2.2(c) or 2.2(d) shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Depositary will deliver in exchange for such lost, stolen or destroyed certificate, the consideration to which the holder is entitled pursuant to this Plan of Arrangement. When authorizing such delivery in exchange for any lost, stolen or destroyed certificate, the person to whom such consideration is to be delivered shall, as a condition precedent to the delivery of such consideration, give a bond satisfactory to Buyer (acting reasonably) in such sum as Buyer, acting, reasonably, against any claim that may be made against Buyer with respect to the certificate alleged to have been lost, stolen or destroyed.

4.5 Withholding Rights. Company, Buyer, Parent and the Depositary shall be entitled to deduct and withhold from any dividend, price or consideration otherwise payable to any Shareholder, such amounts as Company, Buyer, Parent, Holdco or the Depositary is required to deduct and withhold with respect to such payment under the ITA (or corresponding provincial legislation), United States tax laws or any other applicable Law. To the extent that amounts are so withheld or deducted, such withheld or deducted amounts shall be treated for all purposes hereof as having been paid to the holder of the securities in respect of which such deduction and withholding was made, provided that such withheld or deducted amounts are actually remitted to the appropriate taxing Agency by or on behalf of Company, Buyer, Parent, Holdco or the Depositary, as the case may be.

SCHEDULE E – AMENDMENT

5.1 Plan of Arrangement Amendment.

- (a) Company may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time (with the prior written consent of Parent), provided that any such amendment, modification and/or supplement must be contained in a written document that is filed with the Court and, if made after the Special Meeting, approved by the Court and communicated to Shareholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Company (with the prior written consent of Parent) at any time before or at the Special Meeting with or without any other prior notice or communication and, if so proposed and accepted by the persons voting at the Special Meeting in the manner required under the Interim Order, shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Special Meeting shall be effective only if (i) it is consented to in writing by Company and Parent and, (ii) if required by the Court, it is consented to by Shareholders voting in the manner directed by the Court.
- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made prior to the Effective Date unilaterally by Parent or Company, provided that it concerns a matter which, in the reasonable opinion of Parent or Company, as the case may be, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any Shareholder or Parent.

SCHEDULE F – FURTHER ASSURANCES

Each of Company and Parent shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them to document or evidence any of the transactions or events set out in this Plan of Arrangement.

SCHEDULE G – NOTICE

Any notice to be given by Parent to Shareholders pursuant to the Arrangement Agreement will be deemed to have been properly given if it is mailed by first class mail, postage prepaid, to registered Shareholders, as the case may be, at their addresses as shown on the applicable register of such Shareholders maintained by Company and will be deemed to have been received on the first day following the date of mailing which is a business day.

The provisions of this Plan of Arrangement, the Arrangement Agreement and the Letter of Transmittal apply notwithstanding any accidental omission to give notice to any one or more Shareholders and notwithstanding any interruption of mail services in Canada, the United States or elsewhere following mailing. In the event of any interruption of mail service following mailing, Parent intends to make reasonable efforts to disseminate any notice by other means, such as publication. Except as otherwise required or permitted by law:

- (a) if post offices in Canada are not open for the deposit of mail, any notice which Parent or the Depositary may give or cause to be given under the Arrangement Agreement will be deemed to have been properly given and to have been received by Shareholders if (i) it is given to the TSX for dissemination or (ii) it is published once in the national edition of *The Globe and Mail* and in the daily newspapers of general circulation in each of the French and English languages in the City of Montreal, provided that if the national edition of *The Globe and Mail* is not being generally circulated, publication thereof will be made in *The National Post* or any other daily newspaper of general circulation published in the City of Toronto; and
- (b) if post offices in the United States are not open for the deposit of mail, any notice which Parent or the Depositary may give or cause to be given under the Arrangement Agreement will be deemed to have been properly given and to have been received by Shareholders if (i) it is given to the New York Stock Exchange for dissemination or (ii) it is published once in the national edition of the *Wall Street Journal*, provided that if the national edition of the *Wall Street Journal* is not being generally circulated, publication thereof will be made in the *New York Times* or any other daily newspaper of general circulation published in New York City.

Notwithstanding the provisions of the Arrangement Agreement, this Plan of Arrangement and the Letter of Transmittal cheques for cash amounts payable, pursuant to the Arrangement need not be mailed if Parent determines that delivery thereof by mail may be delayed. Persons entitled to cheques which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary in respect of which the cheque being issued were deposited, upon application to the Depositary, until such time as Parent has determined that delivery by mail will no longer be delayed. Parent will provide notice of any such determination not to mail made hereunder as soon as reasonably practicable after the making of such determination and in accordance with this Article 7. Notwithstanding the provisions of the Arrangement Agreement, this Plan of Arrangement and the Letter of Transmittal, the deposit of cheques with the Depositary in such circumstances will constitute delivery to the persons entitled thereto and the Common Shares will be deemed to have been paid for immediately upon such deposit.

**SCHEDULE B
MUTUAL CONDITIONS**

The respective obligations of Company, Parent and Buyer to complete the Transactions shall be subject to the satisfaction, on or before the Outside Date, of the following conditions, each of which may be waived only by the written mutual consent of Company and Parent:

- (a) the Arrangement, with or without amendment, shall have been approved at the Special Meeting in accordance with the Interim Order;
 - (b) the Interim Order and the Final Order shall each have been obtained on terms consistent with this Agreement, and shall not have been set aside or modified in a manner unacceptable to Company and Parent, acting reasonably, on appeal or otherwise;
 - (c) there shall not be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins Company or Parent from consummating the Arrangement and such applicable Law (if applicable) continues to be in effect through the Outside Date;
 - (d) there is no litigation initiated by an Agency seeking to prohibit, limit, or otherwise restrain consummation of the Transactions; and
 - (e) this Agreement shall not have been terminated in accordance with its terms.
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**SCHEDULE C
CONDITIONS IN FAVOUR OF COMPANY**

The obligations of Company to complete the Transactions shall also be subject to the satisfaction, on or before the Outside Date, of the following conditions, each of which is for the exclusive benefit of Company and may be waived, in whole or in part, by Company in its sole discretion:

- (a) neither Parent nor Buyer shall have failed to perform any of the obligations to be performed by it under this Agreement on or prior to the Effective Time or, in the event of any failure, such failure would not reasonably be expected to have a material adverse effect on Parent or Buyer's ability to consummate the Arrangement;
 - (b) all waivers, consents, permits, orders and approvals of any Agency (including the Regulatory Approvals and Other FAR 42.12 Agreements), other than with respect to obtaining any necessary Novation Agreements, which may only be completed after the Effective Time, and the expiry of any waiting periods (whether regulatory or contractual), shall have been obtained or received or shall have expired, as the case may be;
 - (c) the representations and warranties of Parent and Buyer under this Agreement shall be true and correct in all respects except where the failure of such representations and warranties to be true and correct could not have, or would not reasonably be expected to have, a material adverse effect on Parent or Buyer's ability to consummate the Arrangement, and Company shall have received a certificate of each of Parent and Buyer addressed to Company and dated the Effective Date, signed on behalf of Parent by a senior officer of Parent (on Parent's behalf and without personal liability), and signed on behalf of Buyer by a senior officer of Buyer (on Buyer's behalf and without personal liability) confirming the same as at the Effective Date; and
 - (d) at the Effective Time Buyer is a "taxable Canadian corporation" and not a "mutual fund corporation," each within the meaning of the ITA.
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SCHEDULE D
CONDITIONS IN FAVOUR OF PARENT AND BUYER

The obligations of Parent and Buyer to complete the Transactions shall also be subject to the satisfaction, on or before the Outside Date of the following conditions, each of which is for the exclusive benefit of Parent and Buyer and may be waived, in whole or in part, by Parent and Buyer in their sole discretion:

- (a) Company shall not have failed to perform any of the obligations to be performed by it under this Agreement on or prior to the Effective Date or, in the event of any failure, individually or in the aggregate, such failure is not, or would not reasonably be expected to be, Materially Adverse;
 - (b) the representations and warranties of Company under this Agreement shall be true and correct in all respects (without giving effect to, applying to, or taking into consideration any materiality qualification contained in such representations and warranties) except where the failure of such representations and warranties to be true and correct in all respects, individually or in the aggregate, is not, or could not be or would not reasonably be expected to be, Materially Adverse, and Parent and Buyer shall have received a certificate of Company addressed to Parent and Buyer and dated the Effective Date, signed on behalf of Company by the CEO and CFO of Company (on Company's behalf and without personal liability) confirming the same as at the Effective Date;
 - (c) there shall not have occurred a Net Cash Termination Event or Working Capital Termination Event;
 - (d) there shall not have been delivered and not withdrawn notices of dissent with respect to the Arrangement in respect of more than 15% of the Common Shares;
 - (e) there shall not have occurred, since the date of this Agreement, any event, change, effect or development that individually or in the aggregate, is Materially Adverse;
 - (f) all waivers, consents, permits, orders and approvals of any Agency (including the Regulatory Approvals), other than with respect to obtaining any necessary Novation Agreements, which may only be completed after the Effective Time, or Other FAR 42.12 Agreement and the expiry of any waiting periods (whether regulatory or contractual), shall have been obtained, or received or shall have expired, as the case may be; and
 - (g) Parent and Buyer shall have received a certificate of Company addressed to Parent and Buyer and dated the Effective Date, signed on behalf of Company by the CEO and CFO of Company (on Company's behalf and without personal liability) confirming that, as of the Effective Date, Net Cash of Company is greater than or equal to \$30,000,000, as calculated in accordance with the terms of Section 6.4.
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SCHEDULE E
REPRESENTATIONS AND WARRANTIES OF COMPANY

Company represents and warrants to Parent as follows except as set forth on the Company Disclosure Statement (and acknowledges that Parent is relying on such representations and warranties in entering into this Agreement and completing the Transactions):

- (a) **Organization, Standing and Corporate Power.** Each of Company and each of its Subsidiaries is a corporation, partnership or other legal entity duly organized, validly existing and in good standing under the Laws of the jurisdiction in which it is organized and has the requisite power and authority to own its assets and conduct its Business. Except as disclosed in Section (a) of the Company Disclosure Statement, each of Company and each of its Subsidiaries is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing necessary. Company has made available for review by Parent complete and correct copies of its articles of incorporation and by-laws and the certificates of incorporation and by-laws or comparable organizational documents of its Subsidiaries, in each case as amended to the date of this Agreement. Each of Company and its Subsidiaries has not been, for the last 3 years prior to the date hereof, and is not in violation of any provision of its articles of incorporation or by-laws or comparable organizational documents.
- (b) **Company Subsidiaries.** Section (b) of the Company Disclosure Statement lists each Subsidiary of Company and the percentage ownership or interest therein of Company. All the outstanding shares of capital stock of each such Subsidiary have been validly issued and are fully paid and non-assessable and, except as set forth in Section (b) of the Company Disclosure Statement, are owned by Company or by another Subsidiary of Company or both, free and clear of all pledges, claims, restrictions, liens, charges, mortgages, hypothecs, deeds of trust, royalties, security interests and other encumbrances of any kind or nature whatsoever held by third parties (collectively, "**Liens**"). Except for the capital stock of the Subsidiaries of Company and except for the percentage ownership interests set forth in Section (b) of the Company Disclosure Statement, Company does not own, directly or indirectly, any capital stock or other ownership interest.
- (c) **Capitalization.** The authorized capital (the "**Authorized Capital**") and issued capital of Company is as set forth in recital A to this Agreement. Except as set forth above, there are no shares of capital stock or other voting securities of Company issued, reserved for issuance or outstanding. Except as set forth in Section (c) of the Company Disclosure Statement, there are no bonds, debentures, notes or other indebtedness of Company having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which Shareholders must vote. Except as set forth in recital B to this Agreement and except as set forth in Section (c) of the Company Disclosure Statement, as of the date of this Agreement, there are not any options, warrants, puts, calls, rights, commitments, agreements, arrangements or undertakings of any kind (collectively, "**Options**") to which Company or any of its Subsidiaries is a party or by which any of them is bound relating to the issued or unissued capital stock of Company or any of its Subsidiaries, or obligating Company or any of its Subsidiaries to issue, transfer, grant, sell or pay for or repurchase any shares of capital stock or other equity interests in, or securities convertible or exchangeable for any capital stock or other equity interests in, Company or any of its Subsidiaries or obligating Company or any of its Subsidiaries to issue, grant, extend or enter into any such Options. All shares of Company's capital stock that are subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instrument pursuant to which they are issuable, will be duly authorized, validly issued, fully paid and non-assessable. The issuance and sale of all of the shares of capital stock described in Section (c) of the Company Disclosure Statement have been so issued and sold in compliance with Law. Company has previously provided Parent with a schedule setting forth the names of, and the number of shares of each class (including the number of shares issuable upon exercise of Options and the exercise price and vesting schedule with respect thereto) and the number of options held by, all holders of Options. Section (c) of the Company Disclosure Statement sets forth the weighted average exercise price for outstanding Options. Except as set forth in Section (c) of the Company Disclosure Statement, Company has not agreed to register any securities under any securities Law or granted registration rights to any person or entity; copies of all such agreements have previously been made available to Parent. Except as set forth above and in Section (c) of the Company Disclosure Statement, as of the date of this Agreement, there are not any outstanding contractual obligations or other requirements of Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock of Company or any of its Subsidiaries, or provide funds to or make any investment (in the form of a loan, capital contribution or otherwise) in, any Subsidiary of Company or any other person. Without limiting the generality of the foregoing, except as set out in Section (c) of the Company Disclosure Statement, there are no stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or any other attribute of Company or any of its Subsidiaries.
- (d) **Authority; Non-Contravention.**
- (i) Company has all requisite corporate power and corporate authority to enter into this Agreement and, subject to Court and Shareholder Approval, to consummate the Transactions and to perform its obligations under this Agreement. On December 11, 2013, the board of directors of Company unanimously approved this Agreement and the Transactions and resolved to recommend to Shareholders that Shareholders give Shareholder Approval. The execution and delivery of this Agreement by Company and the consummation by Company of the Transactions have been duly authorized by all necessary corporate action on the part of Company, subject to Shareholder Approval. No other corporate proceedings on the part of Company or any of its Subsidiaries are necessary to authorize Company to enter into this Agreement, the performance by Company of its obligations under this Agreement and, subject to Shareholder Approval, the Transactions. This Agreement has been duly executed and delivered by Company and constitutes a valid and binding obligation of Company, enforceable by Parent against Company in accordance with its terms, subject to the availability of equitable remedies and the enforcement of creditors' rights generally. Except with respect to the Consents and Approvals (as defined herein) or any required Novation Agreement or FAR 42.12 Other Agreement, the execution and delivery of this Agreement does not, and the consummation of the Transactions and compliance with the provisions of this Agreement will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of first refusal, consent, termination, buyback, purchase, cancellation or acceleration of any obligation or to loss of any property, rights or benefits under, or result in the imposition of any additional obligation under, or result in the creation of any Lien upon any of the properties or assets of Company or any of its Subsidiaries under (x) the articles of incorporation or by-laws of Company or the comparable organization documents of any of its Subsidiaries; (y) any material Contract or Permit to which Company or any of its Subsidiaries is a party or by which any of them or their respective properties or assets is bound or affected, or (z) any Law applicable to Company or any of its Subsidiaries or their respective properties or assets, except with respect to (z) only, as would not have a material effect on the Business. Other than any required Novation Agreement or Other FAR 42.12 Agreement, no consent, approval, order or authorization of, or registration, declaration or filing with, any Agency, is required by or with respect to Company or any of its Subsidiaries in connection with the execution and delivery of this Agreement by Company or the consummation by Company of the Transactions, except for (A) the filing with the applicable securities regulatory Agencies of the Company Circular and any other documents required to be filed or publicly disclosed in connection with the Transactions, (B) the Interim Order and the Final Order and any approvals required thereby, (C) filings with the Director under the OBCA, (D) the Regulatory Approvals and (E) such other consents, approvals, orders, authorizations, registrations, declarations and filings as are set forth in Section (d)(i) of the Company Disclosure Statement (collectively, the items in clauses (A), (B), (C), (D) and (E) are referred to as the "**Consents and Approvals**").
- (ii) Except as set forth in Section (d)(ii) of the Company Disclosure Statement, none of Company or any of its Subsidiaries is a party to or bound by any non-competition Contract or other Contract, in each case, that purports to limit in any material respect either the type of business in which Company or any of its Subsidiaries (or, after giving effect to the Transactions, Parent or its Subsidiaries) may engage, including the development, commercialization, manufacture, marketing, sale or distribution of any Company Product that is material or could reasonably be expected to become material to Company or any of its Subsidiaries, or the manner or locations in which any of them may so engage in any business with respect to the Company Products.
- (e) **Publicly Filed Documents; Undisclosed Liabilities.** Company has filed all required reports, schedules, forms, statements and other documents (including documents incorporated by reference) with the applicable securities regulatory Agencies since July 31, 2009 (the "**Company Public Disclosure Documents**"). As of their respective dates, each Company Public Disclosure Document materially complied in all respects with the requirements of all applicable securities Law. None of the Company Public Disclosure Documents, as of their respective dates, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except to the extent that such statements have been modified or superseded by a later-filed Company Public Disclosure Document. The consolidated financial statements of Company included in the Company Public Disclosure Documents comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the applicable securities regulatory Agencies with respect thereto, have been prepared in accordance with GAAP, IFRS or FAR, as applicable, applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly present the consolidated financial position of Company as of the dates thereof and the consolidated results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except (i) as and to the extent disclosed, reflected or reserved against on the balance sheet or the notes thereto of Company as of July 31, 2013, included in the Filed Company Public Disclosure Documents, as incurred after the date thereof in the ordinary course of business consistent with past practice and not prohibited by this Agreement or (ii) as set forth in Section (e) of the Company Disclosure Statement, Company does not have any material liabilities or obligations of any nature, whether known or unknown, absolute, accrued, contingent or otherwise and whether due or to become due. Except as set forth in Section (e) of the Company Disclosure Statement, none of Company or its Subsidiaries is subject to the informational reporting requirements of, or required to file any form or other document with, any securities regulatory Agency (including any stock exchange).
- (f) **Working Capital, Cash.** Company had the amount of Working Capital at October 31, 2013 and cash at October 31, 2013 in each case as set forth in Section (f) of the Company Disclosure Statement.
- (g) **Information Supplied.** None of the information supplied or to be supplied by Company or its Subsidiaries for inclusion or incorporation by reference in the Company Circular or any other filings relating to the Transactions will, at the date the Company Circular is first mailed to Shareholders, or at the time of the Special Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of circumstances under which they are made, not misleading. The Company Circular will comply as to form in all material respects with the requirements of applicable securities Law, except that no representation or warranty is made by Company with respect to statements made or incorporated by reference therein based on information supplied by Parent for inclusion or incorporation by reference in the Company Circular.
- (h) **Absence of Certain Changes or Events.** Except as disclosed in the Company Public Disclosure Documents filed and publicly available prior to the date of this Agreement (the "**Filed Company Public Disclosure Documents**") and except as set forth in Section (h) or Section (v) of the Company Disclosure Statement, since July 31, 2013, Company has conducted, and caused each of its Subsidiaries to conduct, its respective business only in the ordinary course of business consistent with past practice and:

- (i) there has not been any event, change, effect or development (including any decision to implement such a change made by the board of directors of Company or any of its Subsidiaries in respect of which senior management believes that confirmation of such board of directors is probable), which, individually or in the aggregate, has had, or would reasonably be expected to have, a Materially Adverse effect;
 - (ii) there has not been any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any Common Shares;
 - (iii) there has not been any split, combination or reclassification of any Authorized Capital of Company or any issuance or the authorization of any issuance of any other securities in exchange or in substitution for shares of Authorized Capital of Company;
 - (iv) there has not been (A) any granting by Company or any of its Subsidiaries to any officer of Company or any of its Subsidiaries of any increase in or acceleration of compensation, (B) any granting by Company or any of its Subsidiaries to any officer of Company or any of its Subsidiaries of any increase in severance or termination pay, or (C) any entry by Company or any of its Subsidiaries into any employment, severance or termination agreement with any officer of Company or any of its Subsidiaries;
 - (v) there has not been any change in accounting methods, principles or practices by Company or any of its Subsidiaries materially affecting its assets, liabilities or business, except insofar as may have been required by a change in IFRS;
 - (vi) neither Company nor any of its Subsidiaries has engaged in any action which, if done after the date of this Agreement, would violate Section 7.1 of this Agreement;
 - (vii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) that is Materially Adverse has been incurred other than in the ordinary course of business consistent with past practice; and
 - (viii) neither Company nor Subsidiary has (A) acquired or disposed of, or agreed to acquire or dispose of, any material asset other than in the ordinary course of business or (B) incurred any material indebtedness for borrowed money on a consolidated basis.
- (i) **Disclosure.**
- (i) The Data Room Information does not omit or misrepresent any information necessary for an understanding of the Business. Financial projections and financial forecasts in the Data Room were made in good faith based on reasonable assumptions at the time they were made.
 - (ii) Except as has been disclosed in Section (i) or Section (v) of the Company Disclosure Statement, since July 31, 2013:
 - (A) there are no severance, change of control or employment agreements with respect to current or former employees of Company or any of its Subsidiaries or any bonus or incentive arrangements with respect to such employees that may require payments as a result of the Transactions;
 - (B) Company and its Subsidiaries do not have liabilities or obligations in excess of the liabilities or obligations reflected or reserved against in the financial statements and in any event that are not incurred in the ordinary course of business consistent with past practice; and
 - (C) none of Company or any of its Subsidiaries or any of their properties is subject to a material judgment, order or decree.
- (j) **Compliance with Law and Permits.**
- (i) Except as set forth in Section (j)(i) of the Company Disclosure Statement, to the knowledge of Company:
 - (A) each of Company and its Subsidiaries holds and has, for the last 3 years prior to the date hereof, maintained in good standing all material Permits necessary for Company and its Subsidiaries to own, lease and operate their properties or other assets and to carry on their respective businesses (the "**Company Permits**");
 - (B) none of the Company Permits has been or is being revoked, nor has Company received any communication from a regulatory authority alleging that such Company Permit will be revoked in the future, absent corrective action; and
 - (C) each of Company and its Subsidiaries has been, for the 3 years prior to the date hereof, and is in compliance in all material respects with all applicable Laws and all Company Permits, except for violations that have been or are being resolved.
 - (ii) For the past 3 years prior to the date hereof, neither Company nor any of its Subsidiaries has received any written notice of proceedings for the revocation, suspension, termination or modification of any material Company Permits, and, except as set forth in Section (j)(ii) of the Company Disclosure Statement, to the knowledge of Company, there are no facts or circumstances materially relevant to the revocation, suspension, modification or termination of any material Company Permits held by Company or by others, that reasonably could lead to the revocation, suspension, modification or termination of any such material Company Permits, except where such revocation, suspension, modification or termination is not in respect of a material Company Permit.
 - (iii) Except as disclosed in Section (j)(iii) of the Company Disclosure Statement, neither Company nor any Subsidiary is in material default with respect to filings to be effected or conditions to be fulfilled in order to maintain the Company Permits described in this Section (j) in material good standing.
 - (iv) None of the Company Permits described in this Section (j) contains any term, provision, condition or limitation which is atypical for such type of permit, or that has or would reasonably be expected to affect or restrict in any material respect the operations of Company or its Subsidiaries, the Business, or the completion of the Transactions.
 - (v) Except as disclosed in Section (j)(v) of the Company Disclosure Statement each of Company and its Subsidiaries has operated, for the last 3 years prior to the date hereof, the Business in material compliance with all applicable Law of each jurisdiction in which it carries on the Business.
- (k) **Restrictions on Business Activities.** Except as disclosed in Section (k) of the Company Disclosure Statement, there is no agreement, judgment, injunction, order or decree binding upon Company or any of its Subsidiaries that has, or would reasonably be expected to have, the effect of prohibiting, restricting or impairing any business practice of Company or any of its Subsidiaries, any acquisition of assets by Company or any of its Subsidiaries or the conduct of the Business by any of them (including following the Arrangement) other than such agreements, judgments, injunctions, orders or decrees which are not, individually or in the aggregate, material to the Business.
- (l) **Contracts.** Section (l) of the Company Disclosure Statement lists all Material Contracts to which Company or any of its Subsidiaries is bound. "Material Contracts" means:
- (i) Contracts which contain minimum purchase conditions of \$500,000 or requirements or other terms that restrict or limit the purchasing relationships of, or impose development or commercialization obligations on, Company or any of its Subsidiaries other than in the ordinary course of business; and
 - (ii) Contracts involving annual revenues or expenses to the Business in excess of \$500,000.

Except as set forth in Section (l) of the Company Disclosure Statement, to the knowledge of Company, all Material Contracts are valid and binding obligations of Company or any of its Subsidiaries and the valid and binding obligation of each other party thereto and are enforceable by Company or its applicable Subsidiary in accordance with their respective terms, and Company or its applicable Subsidiary is entitled to all rights and benefits thereunder. Except as listed in Section (l) of the Company Disclosure Statement, and except for disclosure which was made at the request of Parent, neither Company nor, to the knowledge of Company, any other party thereto is in violation of or in default in respect of, nor has there occurred an event or condition which with the passage of time or giving of notice (or both) would constitute a material breach or default under or entitle any party to terminate, accelerate, modify or call a default under, or trigger any pre-emptive rights or rights of first refusal under, any such Material Contract.

- (m) **Tax Matters.**

- (i) For the past 6 fiscal years, Company and each of its Subsidiaries have filed, or caused to be filed with the appropriate Agency, all income Tax Returns required to be filed by them in accordance with applicable Laws and have paid the income Taxes due whether or not shown as owing on any income Tax Return, except where the failure to file or failure to pay income Taxes would not individually or in the aggregate be material to the Business. All such income Tax Returns are true, correct and complete in all material respects and have been completed in accordance with applicable Law.
- (ii) Reserves and provisions for Taxes accrued but not yet due on or before the Effective Date as reflected in Company's financial statements contained in the Filed Company Public Disclosure Documents are adequate as of the date of such financial statements, in accordance with IFRS. For the past 6 fiscal years, no material deficiencies for Taxes have been proposed, asserted or assessed against Company or any of its Subsidiaries that are not adequately reserved against.
- (iii) To the knowledge of Company, except as set forth in Section (m)(iii) of the Company Disclosure Statement, there are no actions, suits, proceedings, investigations, or claims now threatened or pending against Company or any of its Subsidiaries in respect of any Taxes, or assessments.
- (iv) Company has delivered to Parent correct and complete copies in all material respects of all income Tax Returns, notices of assessment and all correspondence with taxing authorities by Company or any of its Subsidiaries for fiscal years 2009 - 2012 together with all requested working papers, calculations and schedules related thereto. For purposes of clarity, such copies that include sensitive information have been provided by Company to Parent in accordance with the terms and provisions of the Confidentiality Agreement.
- (v) Except as set forth in Section (m)(v) of the Company Disclosure Statement, as of the date hereof, no election, consent for extension, nor any waiver that extends any applicable assessment period or statute of limitations relating to the determination of an income Tax liability of Company or any of its Subsidiaries has been filed or entered into and is still effective.
- (vi) Since July 31, 2010, Company and each of its Subsidiaries have in all material respects duly and timely collected all material amounts on account of any goods, services, sales, value added, transfer or other Taxes required to have been collected by it in accordance with applicable Law and have duly set aside in trust or timely remitted to the appropriate taxing Agency any and all such amounts required to be remitted by it in accordance with applicable Law.
- (vii) Company and each of its Subsidiaries is, and at all times since July 31, 2010, has filed its Tax Returns on the basis that it is, resident for Tax purposes in its country of incorporation or formation and has not at any time been treated by any taxing Agency as resident in any other country for any Tax purpose (including any treaty, convention or arrangement for the avoidance of double taxation). None of Company or any of its Subsidiaries has filed any Tax Return on the basis that it is subject to Tax in any jurisdiction other than its country of incorporation or formation (and political subdivisions thereof) or received written notification from any Agency that it may be required to file a Tax Return or may be liable for any Tax on such basis.
- (viii) Since July 31, 2010, Company and each of its Subsidiaries have in all material respects properly withheld all material amounts of Taxes required to be withheld (including income tax, non-resident withholding tax, Canada Pension Plan contributions, Employment Insurance and Worker's Compensation premiums) in accordance with applicable Law and have in all material respects paid such amounts due to the appropriate taxing Agency on a timely basis in accordance with applicable Law.
- (ix) For the past 3 years prior to the date hereof, Company and all of its Subsidiaries have paid all instalments of Taxes required by Law.
- (x) There are no Tax Liens on any assets of Company or any of its Subsidiaries except for Permitted Liens.
- (xi) For 6 years prior to the date hereof, none of sections 80, 80.01, 80.02, 80.03 or 80.04 of the ITA, or any equivalent provision of the tax legislation of any province or any other jurisdiction, has applied or will apply to Company or any of its Subsidiaries at any time up to and including the Effective Time.
- (xii) Except as disclosed in Section (m)(xii) of the Company Disclosure Statement, none of Company or its Subsidiaries is liable for Taxes of any other person (A) by entering into any agreement with any person pursuant to which it assumed liability for the payment of Taxes owing by such person, or (B) under any provision of applicable Law.
- (xiii) Since July 31, 2010, records or documents that meet the requirements of subsection 247(4) of the ITA in all material respects have been made and/or obtained by Company and each of its Subsidiaries with respect to all material transactions between Company or any of its Subsidiaries, as applicable, and any non-resident person with whom Company or such Subsidiary was not dealing at arm's length for purposes of the ITA with respect to any taxation year or period ending prior to the date hereof and in respect of which the CRA is entitled to assess a liability against Company or the Subsidiary, as applicable.

(n) **Real Property/Leased Real Property.**

- (i) Section (n)(i) of the Company Disclosure Statement lists all real or immovable property owned by Company or its Subsidiaries, which property is owned free and clear of all Liens, except for Permitted Liens (the "**Owned Real Property**"). Except as disclosed in Section (n)(i) of the Company Disclosure Statement, neither Company nor its Subsidiaries has leased, subleased, licensed or entered into an occupancy agreement with respect to the Owned Real Property or any portion thereof that is currently in effect. Neither Company nor any of its Subsidiaries has granted options, rights of first offer or rights of first refusal to purchase the Owned Real Property or any portion thereof which are outstanding as of the date hereof.
- (ii) Section (n)(ii) of the Company Disclosure Statement lists each lease, sublease, license or occupancy agreement for real or immovable property leased, subleased, licensed or occupied by Company or its Subsidiaries (the "**Leased Real Property**") and together with the Owned Real Property, the "**Real Property**"), each of which is valid, legally binding and enforceable against Company or any of its Subsidiaries, as applicable, each of which leasehold or license or comparable interest is held free and clear of all Liens, except for Permitted Liens, in accordance with its terms and in full force and effect unamended by oral or written agreement, (except as otherwise set forth in Section (n)(ii) of the Company Disclosure Statement), and neither of Company nor any of its Subsidiaries is in breach of, or default under, such lease, sublease, license or occupancy agreement, and no event has occurred which, with notice, lapse of time or both, would constitute such a breach or default by Company or any of its Subsidiaries or permit termination, modification or acceleration by any third party thereunder. Except as otherwise set forth in Section (n)(ii) of the Company Disclosure Statement, no third party has terminated, repudiated or has the right to terminate or repudiate any such lease, sublease, license or occupancy agreement (except for the normal exercise of remedies in connection with a default thereunder or any termination rights set forth in the lease, sublease, license or occupancy agreement) or any provision thereof. None of the leases, subleases, licenses or occupancy agreements currently in effect have been assigned by Company or any of its Subsidiaries in favour of any person or sublet or sublicensed.
- (iii) With respect to each lease, sublease, license or occupancy agreement currently in effect, neither Company nor its Subsidiaries have transferred, conveyed, mortgaged or encumbered its leasehold interest, except as disclosed in Section (n)(iii) of the Company Disclosure Statement.
- (iv) The Real Property constitutes all of the real property used by Company or its Subsidiaries in connection with the operation of the Business.
- (v) To the knowledge of Company no material maintenance and repairs regarding the Real Property have been deferred in contemplation of the Transactions.
- (vi) No proceeding is pending or, to the knowledge of Company, threatened for the taking of all or any portion of the Real Property. Neither Company nor its Subsidiaries has received written notice that there are any pending or, to the knowledge of Company, that there have been any requests, applications or proceedings threatened in writing, to currently alter or restrict any zoning or other use restrictions applicable to the Real Property.

(o) **Personal Property.** Company and its Subsidiaries have valid, good and marketable title to all material personal or movable property of any kind or nature which Company or any of its Subsidiaries purports to own, as applicable, free and clear of all Liens, except for Permitted Liens and as disclosed in Section (o) of the Company Disclosure Statement. Company and its Subsidiaries, as lessees, have the right under valid and subsisting leases to use, possess and control all personal or movable property leased by and material to Company or any of its Subsidiaries as used, possessed and controlled by Company or its Subsidiaries, as applicable, free and clear of all Liens, except for Permitted Liens and as disclosed in Section (o) of the Company Disclosure Statement. All Contracts for personal property leased, subleased, licensed or otherwise conveyed to Company or any of its Subsidiaries involving annual payments in excess of \$10,000 are identified on Section (o) of the Company Disclosure Statement. See Section (ll)(xiii) regarding U.S. Government Furnished Property.

(p) **Title to Assets.** Company and its Subsidiaries own with good title all of the properties and assets, whether real, personal or mixed and whether tangible or intangible, that they purport to own including all the properties and assets reflected as being owned by Company or its Subsidiaries in their financial books and records, subject to Permitted Liens and as disclosed in Section (p) of the Company Disclosure Statement. To the knowledge of Company, the assets of Company and its Subsidiaries and any assets leased or licensed by Company and its Subsidiaries (excluding U.S. Government Furnished Product) include all rights and property necessary to enable Parent to continue to conduct the Business after the Effective Time substantially in the same manner as it is currently conducted, subject to the Consents and Approvals. See Section (ll)(xiii) regarding U.S. Government Contracts.

(q) **Intellectual Property.** To the knowledge of Company (i) Section (q)(i) of the Company Disclosure Statement lists all material Intellectual Property owned, possessed or licensed (each such license is valid and enforceable) by Company and its Subsidiaries ("**Company Intellectual Property**") excluding Trade Secrets and software (such software is set forth in Section (q)(xii) of the Company Disclosure Statement); (ii) except as described in Section (q)(ii) of the Company Disclosure Statement, Company has all rights or licenses necessary to use all Intellectual Property in the conduct of the Business; (iii) except as disclosed in Section (q)(iii) of the Company Disclosure Statement, no third parties have rights to any Company Intellectual Property; (iv) no employee, consultant or independent contractor of Company or any of its Subsidiaries has any ownership right, in or to any of the Intellectual Property described in Section (q)(i) of the Company Disclosure Statement and no such person has claimed any such right, except as described in Section (q)(iv) of the Company Disclosure Statement; (v) each employee, consultant or independent contractor responsible for the development of any Intellectual Property described in Section (q)(i) of the Company Disclosure Statement has assigned, or has an obligation to assign, such Intellectual Property described in Section (q)(i) of the Company Disclosure Statement to Company or its Subsidiaries pursuant to a valid and enforceable assignment agreement, and has waived all moral rights in such Intellectual Property, or has an obligation to waive the same, pursuant to a valid and enforceable waiver, except as described in Section (q)(v) of the Company Disclosure Statement; (vi) there is no infringement by third parties of any Company Intellectual Property, except as described in Section (q)(vi) of the Company Disclosure Statement; (vii) there is no pending or threatened action, suit, proceeding or claim by others challenging Company's rights in or to any Company Intellectual Property, and there are no facts which form a reasonable basis for any such claim, except as described in Section (q)(vii) of the Company Disclosure Statement; (viii) there is no pending or threatened action, suit, proceeding or claim by others challenging the validity or enforceability of any Company Intellectual Property, and there are no findings of unenforceability or invalidity of the Intellectual Property, except as described in Section (q)(viii) of the Company Disclosure Statement; (ix) the litigation disclosed or referenced in Section (q)(ix) of the Company Disclosure Statement is a true and correct list of all threatened claims by others that Company or any of its Subsidiaries infringes or otherwise violates any patent application, patent, patent right, license, invention, copyright, know how (including other unpatented or unpatentable or both proprietary or confidential information, system or procedure) trade secret, trademark, service mark or trade name of others; (x) there is no patent or patent application that contains claims that would form the basis for interference proceedings with the issued or pending claims of any of the Company Intellectual Property; (xi) all material prior art for any patent application owned by Company or any of its Subsidiaries has been disclosed to each of the relevant Patent and Trademark Office, as applicable; (xii) Section (q)(xii) of the Company Disclosure Statement identifies and sets forth (A) a true and correct list of all material software owned by Company or its Subsidiaries and (B) a true, correct and complete list of all software (other than commercially available shrink wrap software, off the shelf software (by way of example only, Adobe Acrobat or Microsoft Word), or software downloadable from the internet, having an aggregate license fee of less than \$10,000 annually) licensed to Company or its Subsidiaries; (xiii) no employee of Company or any of its Subsidiaries has made unauthorized disclosure of a Company Trade Secret to a third party; and (xiv) no employee, consultant or independent contractor of Company or any of its Subsidiaries has made unauthorized disclosure of a third party's Trade Secret to Company or its Subsidiaries, except as described in Section (q)(xiv) of the Company Disclosure Statement.

(r) **Employment Matters.**

- (i) Except as to matters otherwise specifically set forth in Section (r)(i) of the Company Disclosure Statement, none of Company or its Subsidiaries are a party to any agreement, obligation or understanding providing for severance or termination payments to, or any written employment agreement with, any director, independent contractor, dependent contractor, consultant, employee or officer, other than any common law obligations of reasonable notice of termination or pay in lieu thereof and any minimum statutory obligations.
- (ii) To the knowledge of Company, except as set forth in Section (r)(ii) of the Company Disclosure Statement, no current Business Personnel (as defined below) are subject to any written agreement with any third party, person or entity restricting such Business Personnel from engaging in competitive activities or solicitation of customers.
- (iii) None of Company or any of its Subsidiaries had or has any labour contracts or collective bargaining agreements with any union or bargaining agent or consulting agreements with any persons employed by Company or any persons otherwise performing services primarily for Company or any of its Subsidiaries (the "**Business Personnel**"). To the knowledge of Company, for the last 3 years prior to the date hereof, neither Company nor any of its Subsidiaries has engaged in any unfair labour practice with respect to the Business Personnel and there is no unfair labour practice complaint pending or, to the knowledge of Company, threatened, against Company or any of its Subsidiaries with respect to the Business Personnel. There is no labour strike, dispute, slowdown or stoppage pending or, to the knowledge of Company, any current union organizing activities among the Business Personnel or any threatened labour strike, dispute, slowdown or stoppage against Company or any of its Subsidiaries, and neither Company nor any of its Subsidiaries has, since July 31, 2013, experienced any labour strike, dispute, slowdown or stoppage or other labour difficulty involving the Business Personnel.
- (iv) None of Company or its Subsidiaries is subject to any material litigation, actual or, to the knowledge of Company, threatened, relating to employment or termination of employment of employees, independent contractors or dependent contractors.
- (v) Except as set forth in Section (r)(v) of the Company Disclosure Statement, for the last 3 years prior to the date hereof, Company and each of its Subsidiaries has operated in accordance with all applicable Law with respect to employment and labour, including employment and labour standards, employment eligibility verification, immigration laws, rules and regulations, occupational health and safety, employment equity, pay equity, workers' compensation, independent contractor classification, classification under the United States Fair Labor Standards Act, as amended, and analogous laws and regulations, human rights and labour relations, and there are no current, pending or, to the knowledge of Company, threatened proceedings before any Agency or in any court with respect to any of the above.
- (vi) Except as set forth in Section (r)(vi) of the Company Disclosure Statement, Company is not delinquent in payments to any of the Business Personnel for any wages, salaries, commissions, vacation pay, bonuses or other direct compensation for any services performed by them to the date hereof or amounts required to be reimbursed to such Business Personnel.
- (vii) Company has provided Parent and Buyer a list of all the current Business Personnel as of the date hereof along with their compensation and accrued holiday, vacation or personal leave time contemplated as of Effective Date, pay cycles for all groups of employees, original hire date, home address, status under the United States Fair Labor Standards Act, as amended, and analogous laws, and base pay rate.
- (viii) Except as set forth in Section (r)(viii) of the Company Disclosure Statement, Company is in material compliance with all requirements of United States Executive Order 11246, including any applicable requirements that it maintain and report on affirmative action plans.
- (ix) To the knowledge of Company, as of the Effective Date, no Company executive or group of key Company employees has any plans to terminate his, her or their employment with, or provision of services to, Company or Buyer or Parent as a result of the transactions contemplated hereby.
- (x) All Business Personnel that participate in the development of Intellectual Property used by Company are bound by enforceable covenants requiring them to maintain secrecy of Company's and its Subsidiaries' confidential information.

(s) **Pension and Employee Benefits.**

- (i) Section (s)(i) of the Company Disclosure Statement includes a complete list of all Employee Benefit Plans, health, welfare, supplemental unemployment benefit, bonus, pension, profit sharing, deferred compensation, deferred share unit plans and agreements, restricted share unit plans and agreements, stock option, stock compensation, stock purchase, retirement, hospitalization insurance, medical, dental, legal, disability and similar plans or arrangements or practices, whether written or oral, which are maintained by Company or any of its Subsidiaries, including all Employee Benefit Plans and Employment Agreements (collectively, the "**Company Plans**").
- (ii) To the knowledge of Company, no step has been taken, no event has occurred and no condition or circumstance exists that has resulted, or would reasonably be expected to result, in any Company Plan being ordered or required to be terminated or wound up in whole or in part or having its registration under applicable Law refused or revoked, or being placed under the administration of any trustee or receiver or Agency or being required to pay any material Taxes, penalties or levies under applicable Law. There are no material actions, suits, claims (other than routine claims for payment of benefits in the ordinary course), trials, demands, investigations, arbitrations or other proceedings which are pending or, to Company's knowledge, threatened in respect of any of the Company Plans or their assets.
- (iii) For the past 3 years prior to the date hereof, all of the Company Plans are and have been operated and maintained in compliance in all material respects with all applicable Law and their terms; all contributions to the Company Plans have been made, withheld and remitted on a current basis, or the Accrued Liabilities for such funding obligations are properly disclosed in Company's financial statements.
- (iv) Except as set forth in Section (s)(iv) of the Company Disclosure Statement, none of the Company Plans is, nor does Company have any liability with respect to, a Multiemployer Plan, a plan subject to Title IV of ERISA, a multiple employer plan, a plan that provides health or welfare benefits to retirees, or a plan or arrangement that is not either exempt from, or in compliance with, section 409A of the Code or that provides for indemnification for or gross-up of any taxes thereunder.
- (v) Without limiting the generality of the foregoing with respect to each Company Plan:
 - (A) Company has delivered or made available to Parent a true, correct and complete copy of: (1) each writing constituting a part of such Plan, including all plan documents, benefit schedules, trust agreements, and insurance contracts and other funding vehicles; (2) the 3 most recent Annual Reports (Form 5500 Series) and accompanying schedules, if any; (3) the current summary plan description and any material modifications thereto, if any (in each case, whether or not required to be furnished under ERISA); (4) the most recent annual financial report, if any; (5) the most recent actuarial report, if applicable; and (6) the most recent determination,

opinion, or advisory letter from the United States Internal Revenue Service, if any. Company has delivered or made available to Parent a true, complete and correct copy of each Employment Agreement. Except as specifically provided in the foregoing documents delivered or made available to Parent, there are no amendments to any Company Plan or Employment Agreement that have been adopted or approved nor has Company or any of its Subsidiaries undertaken to make any such amendments or to adopt or approve any new Company Plan or Employment Agreement.

- (B) Section (s)(v)(B) of the Company Disclosure Statement identifies each Plan that is intended to be a "qualified plan" within the meaning of section 401(a) of the Code ("**Qualified Plans**"). With respect to each Qualified Plan, either: (1) the United States Internal Revenue Service has issued a favourable determination letter with respect to each Qualified Plan and the related trust that has not been revoked; or (2) such plan is entitled to rely upon an opinion or advisory letter issued by the United States Internal Revenue Service to a prototype plan sponsor, and there are no circumstances and no events have occurred that would adversely affect the qualified status of any Qualified Plan or the related trust. Company has not at any time sponsored or maintained a plan intended to meet the requirements of section 501(c)(9) of the Code.
- (C) Section (s)(v)(C) of the Company Disclosure Statement sets forth a list of all Employee Benefit Plans and Employment Agreements under which the execution and delivery of this Agreement, Shareholder approval of the Transactions or the consummation of the Transactions would (either alone or in conjunction with any other event) result in, cause the accelerated vesting, funding or delivery of, or increase the amount of or value of, any payment or benefit to any employee, consultant, officer or director of Company or any of its Subsidiaries, or would limit the right of Company or any of its Subsidiaries to amend, merge, terminate or receive a reversion of assets from any Employee Benefit Plan or related trust or any Employment Agreement or related trust. Except as disclosed in Section (s)(v)(C) of the Company Disclosure Statement, the execution and delivery of this Agreement, Shareholder approval of the Transactions or the consummation of the Transactions (either alone or in conjunction with any other event) will not result in any "excess parachute payment" within the meaning of section 280G of the Code.
- (D) Except as disclosed in Section (s)(v)(D) of the Company Disclosure Statement, there are no pending or, to the knowledge of Company, threatened material claims (other than claims for benefits in the ordinary course), lawsuits or arbitrations which have been asserted or instituted, and to Company's knowledge, no set of circumstances exists which may reasonably give rise to a claim or lawsuit, against the Company Plans, any fiduciaries thereof with respect to their duties to the Company Plans or the assets of any of the trusts under any of the Company Plans. To the knowledge of Company, the Company Plans are not presently under audit or examination (nor has notice been received of a potential audit or examination) by the United States Internal Revenue Service, the Department of Labor, or any other governmental entity, domestic or foreign, and no matters are pending with respect to a Company Plan under the United States Internal Revenue Service's Employee Plans Compliance Resolution System (EPCRS), or other similar programs.
- (E) For the last 3 years prior to the date hereof, Company, its Subsidiaries and each member of their respective business enterprises has complied with WARN, so as not to incur any liabilities thereunder.
- (F) To the knowledge of Company, all Employee Benefit Plans subject to the Law of any jurisdiction outside of the United States (1) have been maintained in accordance with all applicable requirements, (2) if they are intended to qualify for special Tax treatment, meet all requirements for such treatment, and (3) all contributions have been made, withheld and remitted on a current basis.
- (G) Each individual who renders services to Company or any of its Subsidiaries who is classified by Company or such Subsidiary, as applicable, as having the status of an independent contractor or other non-employee status for any purpose (including for purposes of taxation and Tax reporting and under Employee Benefit Plans) is properly so characterized.
- (H) On or before the date hereof, Company has caused each grantor trust providing for funding of amounts payable pursuant to any Company Plans or Employment Agreements or both to be amended to ensure that no amounts are required to be contributed thereto as a result of the execution and delivery of this Agreement, the announcement hereof, or the announcement or consummation or both of the Transactions, and to ensure that such trusts are at all times revocable, in whole or in part, without the consent of the trustees or beneficiaries thereof or any third party.
- (t) **Books and Records.** The financial books, records and accounts of Company and its Subsidiaries in all material respects, (i) are maintained in accordance with IFRS on a basis consistent with prior years, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and dispositions of the assets of Company and its Subsidiaries and (iii) accurately and fairly reflect the basis for Company consolidated financial statements. Since July 31, 2010, the corporate minute books of Company and its Subsidiaries contain minutes of all meetings and resolutions of the directors and shareholders held up to and including June 2013. Parent has been granted access to unredacted copies of such minute books of Company and its Subsidiaries, except for minutes of all meetings of the Special Committee of Company directors formed to consider the Transactions and the board of directors of Company in respect of the Transactions. For purposes of clarity, such books and records that include sensitive information have been provided by Company to Parent in accordance with the terms and provisions of the Confidentiality Agreement. See Section (cc)(xiii) regarding sale, pricing, price reporting, etc. relating to pharmaceuticals, biologics, and medical devices.
- (u) **Insurance.** Except as set forth in Section (u)(i) of the Company Disclosure Statement, Company has made available to Parent true, correct and complete copies of all material policies of insurance to which each of Company and its Subsidiaries are a party or are a beneficiary or named insured. Except as set forth in Section (u)(ii) of the Company Disclosure Statement, Company and its Subsidiaries maintain insurance coverage with reputable insurers in such amounts and covering such risks as are in accordance with normal industry practice for companies engaged in businesses similar to that of Company and its Subsidiaries. For insurance policies subject to premium audit, retroactive premium, or similar future premium obligation, Company has paid premiums in an amount that will, by the time of the Effective Date, not reasonably be expected to result in future premium due. Except as disclosed in Section (u)(iii) of the Company Disclosure Statement, to the knowledge of Company, there is no material claim by Company or any of its Subsidiaries pending, under any insurance policy and to the knowledge of Company, no material claim made since July 31, 2013 has been denied. No written notice of cancellation or termination has been received with respect to the insurance policies.
- (v) **Litigation.** Except as specifically disclosed in Section (v) of the Company Disclosure Statement:
- (i) there is no claim, suit, action or proceeding which has been properly commenced against Company or to the knowledge of Company threatened against Company or any of its Subsidiaries or any of its or their properties or assets; to the knowledge of Company there are no circumstances that pose a material risk of a claim, suit, action or proceeding against Company or any of its Subsidiaries or any of its or their properties or assets, including for greater certainty any legal proceedings, whether judicial or administrative, in Canada, the United States or otherwise (i) seeking the recall, withdrawal, suspension or seizure of any Company Product, (ii) with respect to any alleged injuries to a participant in any clinical trial conducted by Company or any of its Subsidiaries or on behalf of Company or any of its Subsidiaries or otherwise, or (iii) with respect to any product liability claim relating to or arising out of Company Products, that, individually or in the aggregate, if adversely determined, could reasonably be expected to exceed \$500,000 in damages;
- (ii) there is not any material judgement, decree, injunction, rule or order of any Agency or arbitrator outstanding against Company or any of its Subsidiaries; and
- (iii) during the 3 years prior to the date hereof, there has been no suit, action or proceeding served on, commenced against or threatened against Company or any of its Subsidiaries relating to products liability claims relating to or arising out of Company Products. As of the date of this Agreement, except as specifically disclosed in Section (v) of the Company Disclosure Statement, there is no suit, action, proceeding pending or threatened against Company or any of its Subsidiaries that, individually or in the aggregate, if resolved adversely to Company, would reasonably be expected to prevent or delay in any material respect the consummation of the Transactions.
- (w) **Determination by the Board and Voting Requirements.** The board of directors of Company (after receiving financial advice including the Fairness Opinion, legal advice and after considering other factors), by the unanimous vote of its directors, has determined and resolved at its meeting held on December 11, 2013:
- (i) that the entering into of this Agreement, the performance by Company of its obligations hereunder and the Transactions are in the best interests of Company;
- (ii) that the Arrangement is fair to Shareholders;
- (iii) to approve the Transactions and this Agreement; and
- (iv) to recommend that Shareholders approve the Arrangement.

To the knowledge of Company, after consultation with outside legal counsel, no provincial or state takeover statute or similar statute or regulation (including Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*) applies or purports to apply to this Agreement or any of the Transactions.

Subject to the terms of the Interim Order and Final Order, Shareholder Approval is the only approval necessary to approve this Agreement and the Transactions.

- (x) **Brokers; Schedule of Fees and Expenses.** Except as set forth in Section (x) of the Company Disclosure Statement, no broker, investment banker, financial advisor or other person

is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Company. Company has made available to Parent true and complete copies of all agreements that are referred to in Section (x) of the Company Disclosure Statement, if any, and all indemnification and other agreements, if any, related to the engagement of the persons so listed.

- (y) **Fairness Opinion of Financial Advisor.** Company has received the opinion of the Financial Advisor dated the date of this Agreement, to the effect that, as of such date, the Arrangement, and the consideration received thereunder is fair and reasonable to all securityholders affected by the Arrangement (other than members of the Apotex Group) from a financial point of view, a copy of which opinion will be promptly delivered to Parent.
- (z) **Dispositions of Company Property.** Except for sales or disposals in the ordinary course of business and except as described in Section (z) of the Company Disclosure Statement and as disclosed in the Company Public Disclosure Documents, since July 31, 2013, neither Company nor any of its Subsidiaries has sold or disposed of or ceased to hold or own any personal property, real property, any royalty interest or interest in a joint venture or other assets or properties of Company or any of its Subsidiaries ("**Company Property**"), other than any interest or rights with respect to real property having an individual fair market value of less than \$500,000 in the aggregate, in each case in the ordinary course of business, consistent with past practice. Except as set forth in Section (z) of the Company Disclosure Statement, no Company Property, the fair market value of which on the date of this Agreement is greater than \$250,000 in the aggregate, is subject to any pending sale or disposition transaction.
- (aa) **Absence of Cease Trade Orders.** No order ceasing or suspending trading in Common Shares (or any of them) or any other securities of Company is outstanding and no proceedings for this purpose have been instituted or, to the knowledge of Company, are pending, contemplated or threatened.
- (bb) **Environmental Matters.** To the knowledge of Company:
- (i) All biological materials utilized by Company and its Subsidiaries in the Business are used, maintained and stored in compliance in all material respects with applicable Environmental Laws.
 - (ii) Company and each of its Subsidiaries are and, for the last 3 years prior to the date hereof, have been in compliance with all applicable Environmental Laws.
 - (iii) No obligations or other liabilities for which Company or any of its Subsidiaries would be liable or responsible under Environmental Law presently exist with respect to any portion of any currently owned, leased, used or otherwise controlled property or operations of the Business.
 - (iv) There are no facts or circumstances resulting from the operation of the Business that could reasonably be expected to result in material liability under Environmental Law.
 - (v) Neither Company nor any of its Subsidiaries has received written inquiry or written notice from any Agency or any other person alleging a violation of or any liability under any Environmental Law which has not been fully and finally resolved and with respect to which there remains any continuing obligation or responsibility.
 - (vi) Company has obtained, and is and, for the last 3 years prior to the date hereof, has been in compliance in all material respects with all material Environmental Permits; all material Environmental Permits are in full force and effect and are listed on Section (bb)(v) of the Company Disclosure Statement; and neither Company nor any of its Subsidiaries has received any written notices from any Agency or any other person concerning the termination, suspension or material modification of any Environmental Permit necessary for the operation of the Business.
 - (vii) For the last 3 years prior to the date hereof, there has been no release of any Hazardous Materials at, on, under or from any facility currently owned, leased, operated or used by Company or any of its Subsidiaries, including the Specified Manufacturing Facilities which could reasonably be expected to give rise to any material liabilities pursuant to Environmental Laws;
 - (viii) Except as set forth in Section (bb)(vii) of the Company Disclosure Statement, there are no underground storage tanks (UST) or UST systems, impoundments, or other units for the treatment, storage or disposal of Hazardous Materials located at the Winnipeg facilities. No other USTs are present at any other real property currently owned by Company or any Subsidiary and no USTs were present while Company or any Subsidiary operated at any other real property formerly owned, leased, used or otherwise controlled by Company or any Subsidiary.
 - (ix) Company has provided to Parent complete and accurate copies of all material environmental assessment, remediation and compliance reports pertaining to the Business or any real property currently or formerly owned, leased, operated, used or otherwise controlled by Company or any of its Subsidiaries within the possession or reasonable control of Company or any of its Subsidiaries.
 - (x) For the past 3 years prior to the date hereof, none of Company or any of its Subsidiaries has expressly assumed or agreed to indemnify material and known liabilities of any other person arising under Environmental Law currently in effect.
 - (xi) For the past 3 years prior to the date hereof, none of Company or any of its Subsidiaries has caused a release of Hazardous Materials at any location, nor has Company or any of its Subsidiaries arranged for the transportation, treatment or disposal of Hazardous Materials at or to any location that has been included in any published federal, state or local governmental list of sites that could reasonably be expected to give rise to material liabilities to Company or any of its Subsidiaries under Environmental Law.
- (cc) **Regulatory Matters.** Except as disclosed in Section (cc) of the Company Disclosure Statement:
- (i) Except as set forth in Section (cc)(i) of the Company Disclosure Statement, for the past 3 years prior to the date hereof, neither Company nor any of its Subsidiaries has received any written notice or other communication from the Health Agencies of the US, Canada or Europe and any written notice from the Health Agencies of any other country alleging any material violation by Company or any of its Subsidiaries of any applicable Law within the jurisdiction of the Health Agencies, where any such violation has not been resolved or is not being resolved, including any failure to maintain systems and programs adequate to ensure compliance with any applicable Law.
 - (ii) (A) To the knowledge of Company, except as set forth in Section (cc)(ii) of the Company Disclosure Statement, for the last 3 years prior to the date hereof, all pre-clinical and clinical trials and investigations upon which Company has relied or plans to rely as the basis for any submission to any Health Agency, to the extent conducted by Company or any of its Subsidiaries, have been and are being conducted in material compliance with the following, to the extent that any of the following are applicable to each pre-clinical or clinical trial or investigation: (A) the Health Agencies' standards for conducting non-clinical laboratory studies; (B) the International Conference on Harmonization E6: Good Clinical Practices Consolidated Guideline; and (C) the Health Agencies' regulations and guidelines for good clinical practices (GCP) and the design, conduct (including human subjects protection), performance, monitoring, auditing, recording, analysis and reporting of clinical trials. (B) For the last 3 years prior to the date hereof, neither Company nor any of its Subsidiaries nor, to the knowledge of Company, anyone acting on behalf of Company or any of its Subsidiaries, has received any written notice that any Health Agency or any institutional review board or research ethics board has initiated, or materially threatened to initiate, any clinical hold or other action to suspend any clinical trial or suspend or terminate any IND, CTA, or any other equivalent thereof sponsored directly by Company or any of its Subsidiaries directly, and upon which Company or any of its Subsidiaries has relied or plans to rely as the basis for any submission to any Health Agency; provided, however, that Company has disclosed to Parent any adverse events arising out of any clinical trial or investigations upon which Company has not relied or does not plan to rely as the basis for any submission to any Health Agency, to the extent conducted by Company or any of its Subsidiaries.
 - (iii) To the knowledge of Company, for the last 3 years prior to the date hereof, all pre-clinical tests sponsored by Company or any of its Subsidiaries performed in connection with or as the basis for any submission to any Health Agency, filed under a CTA, IND or other foreign equivalent or that Company or any of its Subsidiaries anticipates will be submitted to or held for inspection by any Health Agency have been conducted in accordance, in all material respects, with applicable good laboratory practice requirements as set forth in 21 C.F.R. Part 58 (but only to the extent that such nonclinical tests are required by 21 C.F.R. Part 58 to be conducted in accordance with good laboratory practice requirements).
 - (iv) To the knowledge of Company, Company and its Subsidiaries have properly maintained in all material respects their respective books and records, including batch records, deviations, corrective and preventive actions in connection with all manufacturing by or on behalf of Company or any of its Subsidiaries for all Company Products. For purposes of clarity, such books and records that include sensitive information have been provided by Company to Parent in accordance with the terms and provisions of the Confidentiality Agreement. For the last 3 years prior to the date hereof, all manufacturing operations conducted by or for the benefit of Company or any of its Subsidiaries and over which Company or any of its Subsidiaries had direct manufacturing control, have been and are being conducted in accordance, in all material respects, with applicable current good manufacturing practices (GMPs), as prescribed pursuant to the FDCA and its implementing regulations and all similar applicable GMP standards imposed by Health Agencies with jurisdiction over Company's operations.
 - (v) To the knowledge of Company, Company and its Subsidiaries have properly maintained (A) books and records setting forth any material oral or written communication received by Company or any of its Subsidiaries from any Health Agency in the last 3 years prior to the date hereof, including any and all reports of telephone conversations,

visits and inspections, and any legally effective notice of intention to conduct an inspection (for purposes of clarity, such books and records that include sensitive information have been provided by Company to Parent in accordance with the terms and provisions of the Confidentiality Agreement), (B) books and records directly relating to clinical studies upon which Company or any of its Subsidiaries has relied or plans to rely as the basis for any submission to any Health Agency conducted by Company or any of its Subsidiaries or on behalf of Company or any of its Subsidiaries in the last 3 years prior to the date hereof (for purposes of clarity, such books and records that include sensitive information have been provided by Company to Parent in accordance with the terms and provisions of the Confidentiality Agreement), (C) all information required to be maintained about adverse drug experiences obtained or otherwise received by Company or any of its Subsidiaries from any reportable source, in Canada, the United States or outside the Canada and United States, including information derived from clinical investigations, pharmacovigilance reports in the scientific literature, and unpublished scientific papers, relating directly to any Company Product, and (D) all audit reports filed during the last 3 years prior to the date hereof relating to Company Products that are in its possession and are material to assessing compliance with all Law within the jurisdiction of the Health Agencies. Except as set forth in Section (cc)(v) of the Company Disclosure Statement, for the past 3 years prior to the date hereof, neither Company nor any of its Subsidiaries has received any legally effective notices of inspectional observations (including those recorded on form FDA 483), establishment inspection reports, warning letters, untitled letters, or any other documents issued by any Health Agency that demonstrates lack of compliance with any applicable Law by Company or any of its Subsidiaries or by any entity acting on behalf of Company or any of its Subsidiaries, where any such compliance issue has not been or is not being resolved.

- (vi) As to each Company Product for which a biological license application, new drug application, or other regulatory application for marketing authorization was submitted by Company or any of its Subsidiaries, including outside of Canada and the United States, has been submitted, filed or approved, (A) Company and each of its Subsidiaries is in material compliance with the applicable Health Agency filing requirements, and all applicable Law, and all terms and conditions of such applications, to the extent applicable and (B) Section (cc)(vi) of the Company Disclosure Statement sets out all written commitments made to any Health Agency to undertake post-marketing requirements (i.e. Phase IV) with respect to such Company Product.
- (vii) For the last 3 years prior to the date hereof, none of Company or any of its Subsidiaries, nor any officer, employee or to the knowledge of Company, agent of Company or any of its Subsidiaries has been convicted of any crime or engaged in any conduct that would reasonably be expected to result in or that has resulted in, in the United States, debarment under 21 U.S.C. Section 335a, exclusion from federal or state health care programs, or any Law that materially would limit or impair the ability of Company to conduct its Business.
- (viii) To the knowledge of Company, neither Company nor any of its Subsidiaries currently is in material violation of any applicable Law or any lawful order, writ, injunction or decree of any Health Agency applicable to Company or any of its Subsidiaries or any Company Product. All documentation, correspondence, reports, data, analysis and certifications relating to or regarding the Company Products filed or delivered (or, if amended, as of the date for which such amendment speaks) by or on its behalf to any Health Agency during the last 3 years prior to the date hereof were in all material respects when so filed or delivered, and to the extent required by any applicable laws remain true and accurate.
- (ix) To the knowledge of Company, Company has provided to Buyer and Parent true, complete and accurate copies of all advertising and promotional materials, programs and initiatives related to the use of the Company Products that Company or any of its Subsidiaries currently use, including medical education, symposia, opinion leader development, peer-to-peer development, publications, journal ads, and all other material written communications that describe the features or benefits of the Company Products (the "Existing Promotional Materials") created by or on behalf of Company or its Subsidiaries for 3 years prior to the date hereof. The Existing Promotional Materials are in material compliance with applicable Law. Each of Company's and its Subsidiaries' Standard Operating Procedures (SOPs) governing the sales and marketing of the Company Products are in material compliance with applicable Law.
- (x) To the knowledge of Company, except as disclosed in Section (cc)(x) of the Company Disclosure Statement, for the last 3 years prior to the date hereof, all billing practices, including discounts, price concession, and calculations or best price and average price, of Company and its Subsidiaries with respect to all third-party payors, including the Federal and State Healthcare Programs and private insurance companies, have been in compliance in all material respects with all applicable Law, regulations and policies of such third-party payors, private insurance companies and the Federal and State Healthcare Programs. During the period of employment by Company or its Subsidiaries during the last 3 years prior to the date hereof, (A) no employee or any member of Company's or its Subsidiaries' medical staff or to the knowledge of Company, independent contractor of Company or its Subsidiaries (whether an individual or entity), has been excluded from participating in any federal health care program (as defined in 42 U.S.C. § 1320a-7b(f)) and (B) none of the officers, directors, managers, managing employees, or to the knowledge of Company agents (as such term is defined in 42 U.S.C. § 1320a-5(b)) of Company or its Subsidiaries have been excluded from Medicare or any federal health care program (as defined in 42 U.S.C. § 1320a-7b(f)) or been subject to sanction pursuant to 42 U.S.C. § 1320a-7a or 1320a-8 or been convicted of a crime described at 42 U.S.C. § 1320a-7b, nor is any such exclusion, sanction or conviction threatened or pending. For the last 3 years prior to the date hereof, neither Company nor any of its Subsidiaries has been excluded from participating in any federal health care program (as defined in 42 U.S.C. § 1320a-7b(f)), nor is any such exclusion threatened or pending. Neither Company nor its Subsidiaries have been convicted of a criminal offense related to the provision of health care services.
- (xi) To the knowledge of Company, Company and each of its Subsidiaries is in material compliance with all applicable registration and listing requirements with all Health Agencies.
- (xii) For the last 3 years prior to the date hereof, none of Company or any of its Subsidiaries or any officer, employee or agent of Company or any of its Subsidiaries has made a materially untrue statement of a material fact or fraudulent statement to any Health Agency, failed to disclose a material fact required to be disclosed to any Health Agency, or committed any act, made any statement, or where applicable, failed to make any statement, that would reasonably be expected to provide a basis for the FDA to invoke its policy respecting "Fraud, Untrue Statements of Material Fact, Bribery, and Illegal Gratuities", set forth in 56 Fed. Reg. 46191 (September 10, 1991) or any similar policy of any Health Agency.
- (xiii) Except as disclosed in Section (cc)(xiii) of the Company Disclosure Statement, to Company's knowledge, for the last 3 years prior to the date hereof, Company and its Subsidiaries have operated in all material respects in compliance with all Health Agency requirements relating to the sale, pricing, price reporting, government or private placement or reimbursement for, and rebates related to pharmaceuticals, biologics and medical devices.
- (xiv) Section (cc)(xiv) of the Company Disclosure Statement sets forth the Health Agency status of all Company Products, including CTAs, INDs, biological license applications, new drug applications, 510(k)s and other investigation or marketing authorization applications and the status of such application, whether pending, approved, denied, active or inactive.
- (xv) For the last 3 years prior to the date hereof, none of Company or any of its Subsidiaries has received any material written information from any Health Agency which would reasonably be expected, in the usual course of such dealings, to lead to the denial of any application for marketing approval currently pending before the Health Agency.
- (xvi) To Company's knowledge, Company has made available to Buyer material correspondence relating to post marketing requirements for Company's botulism antitoxin heptavalent.
- (xvii) Except as disclosed in Section (cc)(xvii) of the Company Disclosure Statement, all material reports, documents, claims, permits and notices required to be filed, maintained or furnished to any Health Agency by Company or any of its Subsidiaries during the last 3 years prior to the date hereof (including, for the avoidance of doubt, all required investigational status reports, postmarketing reports, and adverse event reports) have been so filed, maintained or furnished, except those reports, documents, claims, permits and notices currently in process. All such reports, documents, claims, permits and notices were complete and accurate in all material respects on the date filed (or were corrected in or supplemented by a subsequent filing). None of Company or any of its Subsidiaries or any officer, employee, agent or distributor of Company or any of its Subsidiaries is the subject of any pending, or threatened investigation in respect of Company, any of its Subsidiaries, or the Company Products by any Health Agency pursuant to the FDA's policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities," set forth in 56 Fed. Reg. 46191 (September 10, 1991) or any similar policy of any Health Agency. For the last 3 years prior to the date hereof, neither Company nor any of its Subsidiaries, nor any current officer, employee, agent or distributor of Company or any of its Subsidiaries, has been convicted of any crime or engaged in any conduct that could result in a material debarment mandated by 21 U.S.C. § 335a(a) or any similar Law or authorized by 21 U.S.C. § 335a(b) or any similar Law.
- (xviii) To Company's knowledge, except as set forth in Section (cc)(xviii) of the Company Disclosure Statement, the development, manufacture, testing, distribution, and marketing of each Company Product that is or has been developed, manufactured, tested, distributed or marketed, and remains currently available on the market or currently in development, is being, and has been for the last 3 years prior to the date hereof conducted in compliance in all material respects with the applicable provisions of the FDCA and the regulations of the FDA promulgated thereunder, the Food and Drugs Act (Canada) and, the CDSA and the respective regulations thereunder, or, to knowledge of Company, any similar Law applicable in any other jurisdiction in which such activities are carried out, including those relating to investigational use, premarket clearance or marketing approval, good manufacturing practices, good clinical practices, good laboratory practices, labeling, advertising, record keeping and filing of reports. There is no action or proceeding pending or, to knowledge of Company, threatened by any Agency, including any prosecution, injunction, seizure, civil fine, suspension or recall, in each case alleging any material violation of any Law applicable to any Company Product by Company or any of its Subsidiaries.
- (xix) Except as disclosed in Section (cc)(xix) of the Company Disclosure Statement, to Company's knowledge, except as set forth in Section (cc)(xviii) of the Company Disclosure Statement, for the last 3 years prior to the date hereof, each of Company and its Subsidiaries have neither voluntarily nor involuntarily initiated, conducted or issued, or caused to be initiated, conducted or issued, any recall, field notifications, field corrections, market withdrawal or replacement, safety alert, warning, "dear doctor" letter, investigator notice, or other notice or action relating to an alleged lack of safety, efficacy or regulatory compliance of any Company Product, except as done in material compliance with applicable legal requirements. Except for facts related to the topics set forth in Section (v), there are no facts which are reasonably likely to cause (A) the recall, market withdrawal or replacement of any Company Product currently sold by Company or any of its Subsidiaries, (B) a material change in the labeling of any such Company Products, or (C) a termination or suspension of the marketing of such Company Products.

- (xx) The last 3 years prior to the date hereof, neither Company nor any of its Subsidiaries has received any written notice that any Health Agency has commenced, or, to the knowledge of Company, threatened to initiate, any action to enjoin manufacture or distribution of any Company Product sold by Company or any of its Subsidiaries.
- (xxi) To the knowledge of Company, no Company Product currently manufactured or distributed by Company or any of its Subsidiaries is (A) adulterated within the meaning of 21 U.S.C. § 351 (or any similar Law) or (B) misbranded within the meaning of 21 U.S.C. § 352 (or any similar Law).
- (xxii) For the last 3 years prior to the date hereof, neither Company nor its Subsidiaries nor their employees or agents have engaged in activities that (A) would to Company's knowledge violate healthcare fraud and abuse laws (including the United States Anti-Kickback Statute, as amended, and the False Claims Act, as amended, and similar state Laws), or (B) that would violate anti-bribery and anti-corruption Laws in a way material to the Business.
- (dd) **Reporting Issuer Status.** Company is a reporting issuer (or its equivalent) in each of the provinces of Canada.
- (ee) **Related Party Transactions.** None of Company or any of its Subsidiaries is indebted to any director, officer, employee or agent of, or consultant to, Company or any of its Subsidiaries or any of their respective affiliates or associates (except for amounts due as normal salaries, fees (including management and service fees) and bonuses and in reimbursement of ordinary expenses). Except as set forth in Section (ee) of the Company Disclosure Statement, there are no loans, contracts or other transactions between Company or any of its Subsidiaries and any (i) director or officer of Company or any of its Subsidiaries; (ii) any holder of record or, to the knowledge of Company, beneficial owner of 5% or more of any class of the equity securities of Company; or (iii) any affiliate or associate of any such director, officer or beneficial owner.
- (ff) **Disclosure Controls.** Company has designed such disclosure controls and procedures, or caused them to be designed under the supervision of its Chief Executive Officer and Chief Financial Officer, to provide reasonable assurance that material information relating to Company is made known to the Chief Executive Officer and Chief Financial Officer by others within Company and its Subsidiaries, particularly during the period in which the annual or interim financial statement filings are being prepared.
- (gg) **Internal Controls.** Company has designed such internal controls over financial reporting, or caused them to be designed under the supervision of the Chief Executive Officer and Chief Financial Officer of Company, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. To the knowledge of Company and subject to the disclosure contained in Section (gg) of the Company Disclosure Statement, with respect to the 3 years prior to the date of this Agreement: (i) there are no significant deficiencies in the design or operation of, or material weaknesses in, the internal controls over financial reporting of Company that are reasonably likely to adversely affect Company's ability to record, process, summarize and report financial information, and (ii) there is and has been no fraud, whether or not material, involving management or any other employees who have a significant role in the internal control over financial reporting of Company. To the knowledge of Company, for the last 3 years prior to the date hereof, Company has received no (A) material complaints from any source regarding accounting, internal accounting controls or auditing matters or (B) expressions of concern from employees of Company regarding questionable accounting or auditing matters.
- (hh) **Competition Act.** Assuming that the Effective Date is the date of this Agreement, Company together with its affiliates (as defined in the Competition Act) do not have: (i) assets in Canada that exceed CAN\$295 million; or (ii) annual gross revenues from sales in, from or into Canada exceeding CAN\$131 million, in either case, all as determined in accordance with Part IX of the Competition Act and the Notifiable Transactions Regulations thereunder, provided that, for the purposes of Section (b) of Schedule D, the assumption that the Effective Date is the date of this Agreement will not apply.
- (ii) **Investment Canada Act.** Assuming that the Effective Date is the date of this Agreement, the value of the assets of Company together with its Subsidiaries, calculated in the manner prescribed by the *Investment Canada Act*, is less than CAN\$344 million, provided that, for the purposes of Section (b) of Schedule D, the assumption that the Effective Date is the date of this Agreement will not apply.
- (jj) **Listing.** The Common Shares are listed and posted for trading on the TSX.
- (kk) **Compliance with Export Control, Trade, and Anti-Bribery Law.**
- (i) Except as described in Section (kk)(i) of the Company Disclosure Statement, for the last 5 years prior to the date hereof, neither Company nor any of its Subsidiaries has violated the Arms Export Control Act (22 U.S.C. 2778), the ITAR, the Export Administration Regulations (15 C.F.R. 730 et seq.), regulations implemented by the Office of Foreign Assets Controls, United States Department of the Treasury (31 C.F.R. 500 et seq.), the Export and Imports Permit Act, the Special Economic Measures Act, the United Nations Act, the Freezing Assets of Corrupt Foreign Officials Act, the Defence Production Act, the Criminal Code or any regulations promulgated under the foregoing or any similar Law applicable in the United States, Canada, or elsewhere, relating to export controls and economic sanctions that are applicable to Company or its Subsidiaries (collectively, the "Export Control Laws"). During the last 5 years prior to the date hereof, Company has not received any written communication alleging that it is not in compliance with the Export Control Laws, and Company has not filed any voluntary disclosures of possible export violations relating to Company or its operations. Neither Company, Company's Subsidiaries nor any of their officers or directors appears on the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control of the United States Department of the Treasury, any listing of Designated Persons, terrorist or other entities under the Special Economic Measures Act, the United Nations Act, the Freezing Assets of Corrupt Foreign Officials Act, or the Criminal Code or on any other similar list maintained pursuant to any authorizing statute, executive order or regulation.
- (ii) Except as described in Section (kk)(ii) of the Company Disclosure Statement, for the last 5 years prior to the date hereof, neither Company nor any of its Subsidiaries has had any direct or indirect dealings with a person or country with whom United States persons or persons in Canada or Canadians outside Canada are restricted from doing business under regulations of the Office of Foreign Asset Control (OFAC) of the United States Department of the Treasury (including those named on OFAC's Specially Designated Nationals and Blocked Persons List), the Export Control Laws, or under any Statute, Executive Order or any other governmental action that is applicable to Company or its Subsidiaries.
- (iii) For the last 5 years prior to the date hereof, neither Company nor any of its Subsidiaries, nor to their knowledge, any of their employees, officers, directors or agents, has directly or indirectly, paid, offered, given promised to give or authorized to give any money, gift, payment or anything of value in contravention of the Corruption of Foreign Public Officials Act (CFPOA) or to any "Foreign Official" as defined in the FCPA, public international organization as defined by the FCPA, political party, candidate for political office or other person (including any representative of any of the foregoing) for purposes of influencing or inducing any act or decision, or securing any improper advantage for Company in order to obtain or retain business for or with Company which (A) is prohibited by the FCPA or any other anti-corruption, anti-bribery or similar applicable Law or are reasonably expected to subject Company or any of its Subsidiaries to any damage or penalty in any action; (B) if not given in the past, are reasonably expected to have had an adverse effect on Company or any of its Subsidiaries as reflected in the financial statements of Company, (C) if not continued in the future, might adversely affect Company or any of its Subsidiaries, or (D) otherwise has the purpose or effect of public or commercial bribery, acceptance of or acquiescence in extortion, kickbacks or other unlawful or improper means of obtaining or retaining business or other unfair commercial advantage. During the last 5 years there has been no action, suit, inquiry, investigation (including any internal investigation) or any other proceeding, including, to Company's knowledge, those threatened, involving Company, its Subsidiaries nor to their knowledge, any of their directors, officers, employees or agents, concerning compliance with the CFPOA, FCPA or any other applicable anti-corruption laws nor have any of the foregoing received any written communication alleging that they are not in compliance with, or that Company or any of its Subsidiaries is or has been the subject of any investigation by any governmental or regulatory agency concerning, the statutory and regulatory requirements under the CFPOA or FCPA.
- (II) **Government Contracts.**
- (i) To the knowledge of Company, during the 3 years prior to the date hereof, no U.S. Government Contract was awarded pursuant to the Small Business Innovative Research (SBIR) program or on the basis of Company or its Subsidiaries having preferential status, including a small business, small disadvantaged business, 8(a), woman owned business status, and Company or its Subsidiaries have not represented to any customers that they hold such preferred bidder status as a condition of award.
- (ii) Section (II)(ii) of the Company Disclosure Statement lists and separately identifies each contractor team arrangement as defined by FAR 9.601 to which any of Company or its Subsidiaries is a party and that has not terminated or expired (true and complete copies of which, including all modifications and amendments thereto, have been made available to Parent). Each such contractor team arrangement is in full force and effect and is binding on Company or its Subsidiaries, as applicable, in accordance with its terms and, to the knowledge of Company, the other party or parties thereto, and no such contractor teaming arrangement is subject to any oral modifications or amendments. To the knowledge of Company, during the 3 years prior to the date hereof, each of Company and its Subsidiaries has materially complied with all terms and conditions of each such contractor team arrangement. To the knowledge of Company, there exist no disputes arising out of or relating to any such contractor team arrangement and that would reasonably be expected to have a Materially Adverse effect.
- (iii) During the 3 years prior to the date hereof, except as set forth in Section (II)(iii) of the Company Disclosure Statement, with respect to each Government Contract and Government Bid:
- (A) To the knowledge of Company, each of Company and its Subsidiaries has materially complied with the terms and conditions of such Government Contract or Government Bid (including any agreements pertaining thereto and all applicable Law pertaining thereto, including all applicable government contract-related statutes,

executive orders, and regulations (including the DFARS and FAR));

- (B) To the knowledge of Company, neither the United States Government nor any prime contractor, subcontractor, or Agency has notified Company or its Subsidiaries, either in writing or orally that Company or its Subsidiaries has breached a material contract requirement, certification, representation, clause, or provision, or otherwise materially violated any Law (including any Government Contract-related statute, executive order, or regulation), in each case, pertaining to such Government Contract or Government Bid;
- (C) To the knowledge of Company and except for facts related to the topics set forth in Section (II)(iii) of the Company Disclosure Statement, there are no facts that might give rise to or result in a claim by any Agency that Company or its Subsidiaries has breached a material contract requirement, certification, representation, clause, or provision, or otherwise violated any Law (including any Government Contract-related statute, executive order, or regulation), in each case, pertaining to such Government Contract;
- (D) no termination for convenience, termination for default, cure notice, or, show cause notice is currently in effect, has been issued and remains unresolved, or to the knowledge of Company, is expected with respect to such Government Contract;
- (E) To the knowledge of Company, no material cost incurred by Company or its Subsidiaries has been disallowed by any Agency or is the subject of any investigation by any Agency; and
- (F) No notice of criminal investigation or indictment has been received by Company or any of its Subsidiaries nor any of the persons set forth in Schedule 1.4(a). To the knowledge of Company neither Company, any of its Subsidiaries nor their respective Principals (as defined in FAR 52.209-5) is under criminal investigation or indictment

Except as set forth in Section (II)(iii) of the Company Disclosure Statement and facts related to the topics set forth in Section (II)(iii) of the Company Disclosure Statement, neither Company, nor any of its Subsidiaries: (1) has information with respect to any alleged fraudulent or criminal activity involving a Government Contract or a Government Bid; nor (2) to the knowledge of Company is under civil or administrative investigation.

To the knowledge of Company, during the 3 years prior to the date hereof, except as set forth in Section (II)(iii) of the Company Disclosure Statement and facts related to the topics set forth in Section (II)(iii) of the Company Disclosure Statement, there exist no facts or circumstances that would warrant the institution of suspension or debarment proceedings or the finding of non-responsibility or ineligibility on the part of Company, any of its Subsidiaries or any Principal with respect to any prior, current, or future Government Contract or Government Bid.

More specifically neither Company, any of its Subsidiaries nor any Principal subject to the provisions of FAR 52.209-5:

- a) is currently debarred, suspended, proposed for debarment, or declared ineligible for the award of a Government Contract or subcontract;
 - b) has, within the 3 year period prior to the date hereof, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) contract or subcontract, or violation of Antitrust Laws relating to the submission of offers, or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating federal criminal tax laws, or receiving stolen property;
 - c) is currently indicted for, or otherwise criminally or civilly charged by an Agency with, commission of any of the above-listed offenses.
- (iv) During the 3 years prior to the date hereof, except as set forth in Section (II)(iv) of the Company Disclosure Statement, there (A) have been no and are no outstanding material claims or requests for equitable adjustment against Company or any of its Subsidiaries, either by any Agency or by any prime contractor, subcontractor, vendor, or other person, arising under or relating to any Government Contract or Government Bid and (B) are no outstanding and/or unresolved material disputes between Company or any of its Subsidiaries and the United States government under the Contract Disputes Act, as amended, or any other federal statute or between Company or any of its Subsidiaries and any prime contractor, subcontractor, vendor or any other person arising under or relating to any U.S. Government Contract or U.S. Government Bid. During the 3 years prior to the date hereof, except as set forth in Section (II)(iv) of the Company Disclosure Statement, Company and its Subsidiaries have no interest in any pending or potential material claim against any Agency or any prime contractor, subcontractor, or vendor arising under or relating to any Government Contract.
- (v) Section (II)(v) of the Company Disclosure Statement sets forth a true and correct list of: (A) each Government Contract to which Company is a party and that is in effect as of the Effective Date (the "**Assigned Contracts**"); and (B) each Government Bid that is outstanding as of the Effective Date.
- (vi) To the knowledge of Company, during the 3 years prior to the date hereof, except as set forth on Section (II)(vi) of the Company Disclosure Statement:
- (A) all material representations and certifications made by Company with respect each Government Contract and Government Bid (including but not limited to any certifications and/or representations made on or through the U.S. Government's SAM system) listed above in Section (II)(v) of Company Disclosure Statement were complete and accurate as of their effective date and Company has materially complied and is in material compliance with all such representations and certifications;
 - (B) other than pursuant to Government Contract requirements for withholding of fees under cost plus fixed fee Government Contracts, holdback payments related to licensure and labor withholdings under time and materials/labor hour Government Contracts, no money due to Company pertaining to any Government Contract or Government Bid listed above on Section (II)(v) of the Company Disclosure Statement has been withheld or set off and is still outstanding nor has any claim been made to withhold or set off money that has not been or will be adequately reflected in the financial statements, and Company is entitled to all applicable progress payments received with respect thereto;
 - (C) no stop work order or any other type of suspension of work has been issued with respect to any Government Contract or Government Bid listed above in Section (II)(v) of Company Disclosure Statement and has not been resolved;
 - (D) Company and its Subsidiaries have not received any written notice of any outstanding protests or complaints challenging the award of any Government Contract listed above in Section (II)(v) of the Company Disclosure Statement;
 - (E) there have not been any claims or equitable adjustments by Company or its Subsidiaries against any Agency or any prime contractor, higher or lower tier subcontractor or vendor arising under or relating to any Government Contract or Government Bid listed above in Section (II)(v) of the Company Disclosure Statement in excess of \$100,000;
 - (F) Company has made available to Buyer materially complete and correct copies of Government Contracts and Government Bids listed above in Section (II)(v) of the Company Disclosure Statement, including amendments, modifications, and task or delivery orders related thereto;
 - (G) Company has not received any written notification from any Agency of any intention to make a material modification to any Government Contract listed above in Section (II)(v) of the Company Disclosure Statement for which no modification has been issued;
 - (H) And except for facts related to the topics set forth in the Company Disclosure Statement referenced in Section (II)(vii), there is no currently pending request and there are no facts that would reasonably be expected to give rise to or result in a request for an extension of Company's time for performance under any Government Contract listed above in Section (II)(v), of the Company Disclosure Statement;
 - (I) Company has all material authorizations and approvals from Agencies and all material third-party certifications and approvals required in order to perform the work under each Government Contract listed above in Section (II)(v) of Company Disclosure Statement, and has maintained compliance in all material respects with the terms on which such authorizations, certifications and approvals are conditioned;
 - (J) There is no Government Contract (excluding Grants), for which the most recent estimated total costs of completion as estimated in good faith by Company indicate that such Government Contract will be completed without a profit to Company or its Subsidiaries, as applicable, (i.e. an estimation by Company or its Subsidiaries that Company's or its Subsidiaries' total cost of performance as reasonably calculated by Company and its Subsidiaries will exceed the total payments to Company and its Subsidiaries by the customer);

- (vii) Investigations/Audits. During the 3 years prior to the date hereof, except as set forth on Section (II)(vii) of the Company Disclosure Statement:
- (A) neither Company nor any of its Subsidiaries nor, to the knowledge of Company, any Principal is (or during the last 3 years prior to the date hereof has been) under administrative, civil or criminal investigation, indictment or writ of information by any Agency, or any non-routine audit or investigation by any Agency with respect to the Company's Government Contracts.
 - (B) To the knowledge of Company, no such investigation, indictment, or writ or non-routine audit has been threatened.
 - (C) Company has not conducted or initiated any internal investigation (other than inquiries in the ordinary course of business to ensure compliance with applicable Law) or made any voluntary or mandatory disclosure under FAR 52.203-13 to any Agency arising under or relating to a Government Contract or Government Bid. To the knowledge of Company, during the 3 years prior to the date hereof, except as set forth in Section (II)(vii) of the Company Disclosure Statement, there exists no credible evidence requiring a mandatory disclosure under FAR 52.203-13 that has led or could lead to any material damage, penalty assessment, recoupment of payment or disallowance of cost.
 - (D) there are no Company Products delivered under any Government Contract that are currently quarantined.
- (viii) If required under a Government Contract, Company has submitted to the responsible United States Government contracting officer and applicable Governmental Authorities incurred cost submissions for the years through July 31, 2012 and any open years are disclosed in Section (II)(viii) of the Company Disclosure Schedule.
- (ix) Cost or Pricing Data: To the knowledge of Company, during the 3 years prior to the date hereof, except as set forth in Section (II)(ix) of the Company Disclosure Statement, Company has not submitted to any Agency any materially inaccurate, incomplete or non-current cost or pricing data relating to a Government Contract or Government Bid.
- (x) Business Accounting Practices: To the knowledge of Company, during the 3 years prior to the date hereof, except as set forth in Section (II)(x) of the Company Disclosure Statement, Company's business accounting practices have been in compliance in all material respects with applicable Law and has not been determined to be inadequate for accumulating and billing costs under Government Contracts by any Agency. Except as set forth in Section (II)(x) of the Company Disclosure Statement, to the knowledge of Company, during the 3 years prior to the date hereof, there has been no, and there is no finding of fraud, defective pricing, mischarging or improper payments on the part of Company by any Agency.
- (xi) Security Obligations: Except as disclosed in Section (II)(xi) of the Company Disclosure Statement, to the knowledge of Company, during the 3 years prior to the date hereof, Company is in material compliance with all applicable security requirements and export control requirements, including applicable export or import permit requirements, in its Government Contracts.
- (xii) Government Furnished Property: To the knowledge of Company, during the 3 years prior to the date hereof, except as set forth in Section (II)(xii), of the Company Disclosure Statement, Company is in material compliance with U.S. Government furnished property requirements, including reporting requirements.
- (xiii) Organizational Conflicts of Interest: Company is in compliance with organizational conflicts of interest requirements in its Government Contracts and, to the knowledge of Company, is aware of no published and current open and available opportunity involving the U.S. Government from which Company or its Subsidiaries are currently limited, prohibited or otherwise restricted from performing or bidding due to organizational conflicts of interest in connection with any Government Contract.
- (xiv) Technical Data and Software Rights:
- (A) With respect to any "technical data" or "computer software" developed by Company "exclusively at private expense" or "at private expense" as those terms are defined in the FAR, DFARS, or in any Contract with an Agency (such applicable Contract definition, together with FAR and the DFARS, the "**Data Regulations**") in no case has any Agency or any other Person asserted a challenge, or expressed an intent to challenge, any of Company's rights in such technical data or computer software pursuant to the Data Regulations.
 - (B) Company has taken all measures that are reasonable and customary for companies in similar lines of business to protect its rights in technical data and computer software under the Data Regulations.
- (xv) General Services Administration Federal Supply Schedule Contract Compliance: To the knowledge of Company, during the 3 years prior to the date hereof, except as set forth in Section (II)(xv) of Company Disclosure Statement, with respect to any General Services Administration Federal Supply Schedule Contract held by Company, Company has materially complied with all (A) "Industrial Funding Fee" obligations; and (B) "Price Reductions" clause obligations.
- (xvi) Inventions: To the knowledge of Company, during the 3 years prior to the date hereof, Company has materially complied with all reporting requirements related to inventions under its Government Contracts; and, except as provided in Section (II)(xvi) of the Company Disclosure Statement or as required by statute, no Agency or third party has any ownership or licensing rights in any inventions of Company.
- (mm) **No Other Representations and Warranties.** EXCEPT AS EXPRESSLY SET FORTH IN THIS **SCHEDULE E**, COMPANY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, IN RESPECT OF COMPANY, ITS SUBSIDIARIES OR ANY OF THEIR RESPECTIVE ASSETS, LIABILITIES OR OPERATIONS, INCLUDING WITH RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, AND ANY SUCH OTHER REPRESENTATIONS OR WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED. THE DISCLOSURE OF ANY MATTER OR ITEM IN ANY SCHEDULE HERETO WILL NOT BE DEEMED TO CONSTITUTE AN ACKNOWLEDGEMENT THAT ANY SUCH MATTER IS REQUIRED TO BE DISCLOSED.
-

**SCHEDULE F
REPRESENTATIONS AND WARRANTIES OF PARENT AND BUYER**

Parent and Buyer jointly and severally represent and warrant to Company as follows (and acknowledge that Company is relying on such representations and warranties in entering this Agreement and completing the Transactions):

- (a) **Organization, Standing and Corporate Power.** Each of Parent, Buyer and each of their Subsidiaries is a corporation, partnership or other legal entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized and has the requisite power and authority to own its assets and conduct its business as currently owned and conducted.
- (b) **Authority; Non-Contravention.** Each of Parent and Buyer has all requisite corporate power and corporate authority to enter into this Agreement and to consummate the Transactions and to perform its obligations under this Agreement. On December 4, 2013, and December 11, 2013 the board of directors of Parent and Buyer, respectively, approved this Agreement and the Transactions. The execution and delivery of this Agreement by each of Parent and Buyer and the consummation by Parent and Buyer, as applicable, of the Transactions have been duly authorized by all necessary corporate action on the part of Parent and Buyer, as applicable. No approval of the shareholders or other securityholders of Parent or Buyer or other corporate proceedings on the part of Parent or any of its Subsidiaries are necessary to authorize this Agreement, the performance by Parent and Buyer of their obligations under this Agreement and the Transactions. This Agreement has been duly executed and delivered by each of Parent and Buyer and constitutes a valid and binding obligation of each of Parent and Buyer, enforceable by Company against each of Parent and Buyer in accordance with its terms, subject to the availability of equitable remedies and the enforcement of creditors' rights generally. The execution and delivery of this Agreement does not, and the consummation of the Transactions and compliance with the provisions of this Agreement will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of consent, termination, purchase, cancellation or acceleration of any obligation or to loss of any property, rights or benefits under, or result in the imposition of any additional obligation under, or result in the creation of any Lien upon any of the properties or assets of Parent or any of its Subsidiaries under, (i) the certificate of incorporation or by-laws of Parent or the comparable organizational documents of any of its Subsidiaries; (ii) except as set forth on Section (b) of the Parent Disclosure Statement, any material Contract or material Permit to which Parent or any of its Subsidiaries is a party or by which any of them or their respective properties or assets is bound or affected, or (iii) subject to the governmental filings and other matters referred to in the following sentence, any Law applicable to Parent or any of its Subsidiaries or their respective properties or assets, except with respect to (iii) only, as would not have a material effect on Parent or any of its Subsidiaries, taken as a whole. No consent, approval, order or authorization of, or registration, declaration or filing with, any Agency, is required by or with respect to Parent, Buyer or any of their Subsidiaries in connection with the execution and delivery of this Agreement by Parent and Buyer or the consummation by Parent of the Transactions, except for (i) any approvals required by the Interim Order or the Final Order, and (ii) the Regulatory Approvals listed on Schedule G.
- (c) **Competition Act.** Assuming that the Effective Date is the date of this Agreement, Buyer together with its affiliates (as defined in the Competition Act) do not have: (i) assets in Canada that exceed CAN\$105 million; or (ii) annual gross revenues from sales in, from or into Canada exceeding CAN \$269 million, in either case, all as determined in accordance with Part IX of the Competition Act and the Notifiable Transactions Regulations thereunder, provided that, for the purposes of Section (c) of Schedule C, the assumption that the Effective Date is the date of this Agreement will not apply.
- (d) **Investment Canada Act.** Parent is a WTO investor within the meaning of the Investment Canada Act.
- (e) **Litigation.** As of the date of this Agreement, there is no suit, action or proceeding pending, or, to the knowledge of Parent, threatened, against Parent, Buyer or any of their respective Subsidiaries that, individually or in the aggregate, would reasonably be expected to prevent or delay in any material respect the consummation of the Transactions.
-

**SCHEDULE G
REGULATORY APPROVALS**

United States

- HSR Approval by Parent and Company
- Maryland Class 1 Chemical registration by Parent, Buyer and Company
- DEA Approval by Parent, Buyer and Company

CREDIT AGREEMENT

Dated as of December 11, 2013

among

EMERGENT BIOSOLUTIONS INC.,
as the Borrower,**BANK OF AMERICA, N.A.,**
as Administrative Agent, Swing Line Lender and
L/C Issuer,

and

The Other Lenders Party Hereto

BANK OF AMERICA MERRILL LYNCH
and
PNC CAPITAL MARKETS LLC,
as Joint Lead Arrangers and Joint Book Managers**PNC BANK, NATIONAL ASSOCIATION**
as Syndication Agent**J.P. MORGAN SECURITIES LLC**
as Documentation Agent**TABLE OF CONTENTS**
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-

CREDIT AGREEMENT

This CREDIT AGREEMENT (this "Agreement") is entered into as of December 11, 2013, among EMERGENT BIOSOLUTIONS INC., a Delaware corporation (the "Borrower"), each Domestic Subsidiary of the Borrower from time to time party hereto as a Guarantor (as each such term is defined below), each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"), and BANK OF AMERICA, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer.

PRELIMINARY STATEMENTS:

The Borrower has requested that the Lenders provide a revolving credit facility and a delayed draw term loan facility, and the Lenders have indicated their willingness to lend and the L/C Issuer has indicated its willingness to issue letters of credit, in each case, on the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"**Account Control Agreements**" each Deposit Account Control Agreement, Securities Account Control Agreement and each other account control agreement entered into pursuant to the terms of this Agreement or any other Loan Document, in each case, in form and substance reasonably satisfactory to Administrative Agent.

"**Acquired EBITDA**" shall mean, with respect to any Person or business acquired pursuant to a Permitted Acquisition for any period, the amount for such period of Consolidated EBITDA of any such Person or business so acquired (determined using such definitions as if references to the Borrower and its Subsidiaries therein were to such Person or business), as calculated by the Borrower in a manner reasonably acceptable to the Administrative Agent and which shall be factually supported by historical financial statements reasonably acceptable to the Administrative Agent; provided, however, that, notwithstanding the foregoing to the contrary, in determining Acquired EBITDA for any Person or business that does not have historical financial accounting periods which coincide with that of the financial accounting periods of the Borrower and its Subsidiaries (a) references to Measurement Period in any applicable definitions shall be deemed to mean the same relevant period as the applicable period of determination for the Borrower and its Subsidiaries and (b) to the extent the commencement of any such Measurement Period shall occur during a fiscal quarter of such acquired Person or business (such that only a portion of such fiscal quarter shall be included in such Measurement Period), Acquired EBITDA for the portion of such fiscal quarter so included in such Measurement Period shall be deemed to be an amount equal to (x) Acquired EBITDA otherwise attributable to the entire fiscal quarter (determined in a manner consistent with the terms set forth above) multiplied by (y) a fraction, the numerator of which shall be the number of days of such fiscal quarter included in the relevant Measurement Period and the denominator of which shall be actual days in such fiscal quarter.

"**Acquired Interest Charges**" shall mean, with respect to any Person or business acquired pursuant to a Permitted Acquisition for any period, the amount for such period of Consolidated Interest Charges of any such Person or business so acquired (determined using such definitions as if references to the Borrower and its Subsidiaries therein were to such Person or business), as calculated by the Borrower in a manner reasonably acceptable to the Administrative Agent and which shall be factually supported by historical financial statements reasonably acceptable to the Administrative Agent; provided, however, that, notwithstanding the foregoing to the contrary, in determining Acquired Interest Charges for any Person or business that does not have historical financial accounting periods which coincide with that of the financial accounting periods of the Borrower and its Subsidiaries (a) references to Measurement Period in any applicable definitions shall be deemed to mean the same relevant period as the applicable period of determination for the Borrower and its Subsidiaries and (b) to the extent the commencement of any such Measurement Period shall occur during a fiscal quarter of such acquired Person or business (such that only a portion of such fiscal quarter shall be included in such Measurement Period), Acquired Interest Charges for the portion of such fiscal quarter so included in such Measurement Period shall be deemed to be an amount equal to (x) Acquired Interest Charges otherwise attributable to the entire fiscal quarter (determined in a manner consistent with the terms set forth above) multiplied by (y) a fraction, the numerator of which shall be the number of days of such fiscal quarter included in the relevant Measurement Period and the denominator of which shall be actual days in such fiscal quarter.

"**Administrative Agent**" means Bank of America in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"**Administrative Agent's Office**" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 10.02, or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

"**Administrative Questionnaire**" means an Administrative Questionnaire in substantially the form of Exhibit E-2 or any other form approved by the Administrative Agent.

"**Affiliate**" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"**Aggregate Commitments**" means the Commitments of all the Lenders. The Aggregate Commitments as of the Closing Date are \$225,000,000.

"**Agreement**" means this Credit Agreement.

"**Applicable Percentage**" means (a) in respect of the Term Facility, with respect to any Term Lender at any time, the percentage (carried out to the ninth decimal place) of the Term Facility represented by (i) at any time during the Term Loan Availability Period, such Term Lender's Term Commitment at such time and (ii) thereafter, the principal amount of such Term Lender's Term Loans at such time and (b) in respect of the Revolving Credit Facility, with respect to any Revolving Credit Lender at any time, the percentage (carried out to the ninth decimal place) of the Revolving Credit Facility represented by such Revolving Credit Lender's Revolving Credit Commitment at such time, subject to adjustment as provided in Section 2.15(a)(iv). If the commitment of each Lender to make Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02, or if the Commitments have expired, then the Applicable Percentage of each Lender in respect of the applicable Facility shall be determined based on the Applicable Percentage of such Lender in respect of such Facility most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender in respect of each Facility is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"**Applicable Rate**" means (a) subject to the proviso set forth in the immediately succeeding paragraph of this definition, from the Closing Date to the date on which the Administrative Agent receives a Compliance Certificate pursuant to Section 6.02(a) for the Fiscal Year ending December 31, 2013, (i) 1.75% per annum for Base Rate Loans, (ii) 2.75% per annum for Eurodollar Rate Loans and Letter of Credit Fees and (iii) 0.50% for the Commitment Fee for the Revolving Credit Facility, and (b) thereafter, the applicable percentage per annum set forth below determined by reference to the Consolidated Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.02(a), provided that upon the earlier to occur of (x) the Target Acquisition Closing Date, or (y) the date of the Term Borrowing (such date, the "Rate Lock Trigger Date"), the "Applicable Rate" shall mean (I) 2.75% per annum for Base Rate Loans, (II) 3.75% per annum for Eurodollar Rate Loans and Letter of Credit Fees and (III) 0.60% for the Commitment Fee for the Revolving Credit Facility from the Rate Lock Trigger Date to the date on which the Administrative Agent receives a Compliance Certificate pursuant to Section 6.02(a) with respect to the first full fiscal quarter of the Borrower to occur after the fiscal quarter in which the Rate Lock Trigger Date occurred, at which time, the "Applicable Rate" shall be determined in accordance with clause (b) above:

<u>Applicable Rate</u>				
<u>Pricing Level</u>	<u>Consolidated Leverage Ratio</u>	<u>Commitment Fee for Revolving Credit Facility</u>	<u>Eurodollar Rate and Letters of Credit</u>	<u>Base Rate</u>
1	<0.75 to 1.00	0.30%	1.75%	0.75%
2	≥0.75 to 1.00 but <1.50 to 1.00	0.40%	2.25%	1.25%
3	≥1.50 to 1.00 but <2.25 to 1.00	0.50%	2.75%	1.75%
4	≥2.25 to 1.00 but <3.00 to 1.00	0.50%	3.25%	2.25%
5	≥3.00 to 1.00	0.60%	3.75%	2.75%

Any increase or decrease in the Applicable Rate resulting from a change in the Consolidated Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 6.02(a); provided, however, that, in each case, if a Compliance Certificate is not delivered when due (including, without limitation, for the fiscal quarter ending December 31, 2013 as referenced in clause (a) of the first paragraph of this definition above) in accordance with such Section 6.02(a), then, upon the request of the Required Lenders, Pricing Level 5 shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall remain in effect until the date on which such Compliance Certificate is delivered.

Notwithstanding anything to the contrary contained in this definition, the determination of the Applicable Rate for any period shall be subject to the provisions of Section 2.10(b).

"**Applicable Revolving Credit Percentage**" means with respect to any Revolving Credit Lender at any time, such Revolving Credit Lender's Applicable Percentage in respect of the Revolving Credit Facility at such time.

"**Appropriate Lender**" means, at any time, (a) with respect to the Term Facility, a Lender that has a Term Commitment or holds a Term Loan at such time, (b) with respect to the Revolving Credit Facility, a Lender that has a Revolving Credit Commitment or holds a Revolving Credit Loan at such time, (c) with respect to the Letter of Credit Sublimit, (i) the L/C Issuer and (ii) if any Letters of Credit have been issued pursuant to Section 2.03(a), the Revolving Credit Lenders and (d) with respect to the Swing Line Sublimit, (i) the Swing Line Lender and (ii) if any Swing Line Loans are outstanding pursuant to Section 2.04(a), the Revolving Credit Lenders.

"**Approved Fund**" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"**Arrangers**" means, collectively, Merrill Lynch, Pierce, Fenner & Smith, Incorporated and PNC Capital Markets LLC, in their capacities as joint lead arrangers and joint book managers.

"**Assignee Group**" means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

"**Assignment and Assumption**" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by [Section 10.06\(b\)](#)), and accepted by the Administrative Agent, in substantially the form of [Exhibit E-1](#) or any other form (including electronic documentation generated by MarkitClear or other electronic platform) approved by the Administrative Agent.

"**Attributable Indebtedness**" means, on any date, (a) in respect of any Capitalized Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capitalized Lease and (c) all Synthetic Debt of such Person.

"**Audited Financial Statements**" means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal year ended December 31, 2012, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Borrower and its Subsidiaries, including the notes thereto.

"**Availability Period**" means, with respect to the Revolving Credit Facility, the period from and including the Closing Date to the earliest of (a) the Maturity Date for the Revolving Credit Facility, (b) the date of termination of the Revolving Credit Commitments pursuant to [Section 2.06](#), and (c) the date of termination of the commitment of each Revolving Credit Lender to make Revolving Credit Loans and of the obligation of the L/C Issuer to make L/C Credit Extensions pursuant to [Section 8.02](#).

"**Bank of America**" means Bank of America, N.A. and its successors.

"**Base Rate**" means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1% (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its "prime rate", and (c) the Eurodollar Rate plus 1.00%. The "prime rate" is a rate set by Bank of America based upon various factors including Bank of America's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

"**Base Rate Loan**" means a Loan that bears interest based on the Base Rate.

"**BioThrax**" means BioThrax® (Anthrax Vaccine Absorbed), a vaccine indicated for the active immunization for the prevention of disease caused by *Bacillus anthracis*.

"**BioThrax Contract**" means that certain CDC BioThrax Procurement Contract (Contract No. 200-2011-42084), effective September 1, 2012, between Emergent BioDefense Operations Lansing LLC and the Centers for Disease Control and Prevention, as the same may be amended, restated, supplemented, replaced, renewed, or otherwise modified from time to time and shall include any successor contract thereto for the provision of the goods and services described therein by any Loan Party to any Governmental Authority of the Federal Government of the United States.

"**BioThrax Receivables Account**" means that certain deposit account of Emergent BioDefense Operations Lansing LLC ending -0027 maintained with PNC Bank, N.A. (including any successor account thereto or replacement account thereof) and any other account in which payments from the Federal Government (or any subdivision or agency thereof) on account of the BioThrax Contract are made or deposited.

"**Borrower**" has the meaning specified in the introductory paragraph hereto.

"**Borrower Materials**" has the meaning specified in [Section 6.02](#).

"**Borrowing**" means a Revolving Credit Borrowing, a Swing Line Borrowing or a Term Borrowing, as the context may require.

"**Business Day**" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent's Office is located and, if such day relates to any Eurodollar Rate Loan, means any such day that is also a London Banking Day.

"**Capital Expenditures**" means, with respect to any Person for any period, any expenditure in respect of the purchase or other acquisition of any fixed or capital asset (excluding normal replacements and maintenance which are properly charged to current operations), all as determined in accordance with GAAP.

"**Capitalized Leases**" means all leases that have been or should be, in accordance with GAAP, recorded as capitalized leases.

"**Cash Collateralize**" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the L/C Issuer or the Lenders, as collateral for the L/C Obligations, or obligations of the Lenders to fund participations in respect of L/C Obligations, (a) cash or deposit account balances, (b) backstop letters of credit entered into on terms, from issuers and in amounts satisfactory to the Administrative Agent, or (c) if the Administrative Agent and the L/C Issuer shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent and the L/C Issuer. "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"**Cash Equivalents**" means any of the following types of Investments, to the extent owned by the Borrower or any of its Subsidiaries free and clear of all Liens (other than (x) Liens created under the Collateral Documents and (y) to the extent incurred in the ordinary course of business and not securing any Indebtedness, customary Liens (including rights of setoff) of banking institutions arising as a matter of law with respect to deposits maintained with such Person):

(a) readily marketable obligations issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof having maturities of not more than 360 days from the date of acquisition thereof; provided that the full faith and credit of the United States of America is pledged in support thereof;

(b) time deposits with, or insured certificates of deposit or bankers' acceptances of, any commercial bank that (i) (A) is a Lender or (B) is organized under the laws of the United States of America, any state thereof or the District of Columbia or is the principal banking subsidiary of a bank holding company organized under the laws of the United States of America, any state thereof or the District of Columbia, and is a member of the Federal Reserve System, (ii) has combined capital and surplus of at least \$1,000,000,000, in each case with maturities of not more than 180 days from the date of acquisition thereof;

(c) commercial paper issued by any Person organized under the laws of any state of the United States of America and rated at least "Prime-1" (or the then equivalent grade) by Moody's or at least "A-1" (or the then equivalent grade) by S&P, in each case with maturities of not more than 180 days from the date of acquisition thereof; and

(d) Investments, classified in accordance with GAAP as current assets of the Borrower or any of its Subsidiaries, in money market investment programs registered under the Investment Company Act of 1940, which are administered by financial institutions that have the highest rating obtainable from either Moody's or S&P, and the portfolios of which are limited solely to Investments of the character, quality and maturity described in clauses (a), (b) and (c) of this definition.

"**Cash Management Agreement**" means any agreement to provide cash management services, including treasury, depository, overdraft, credit or debit card, electronic funds transfer and other cash management arrangements.

"**Cash Management Bank**" means any Person that, at the time it enters into a Cash Management Agreement, is a Lender or an Affiliate of a Lender, in its capacity as a party to such Cash Management Agreement.

"**CERCLA**" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980.

"**CERCLIS**" means the Comprehensive Environmental Response, Compensation and Liability Information System maintained by the U.S. Environmental Protection Agency.

"**CFC**" means (i) a Foreign Subsidiary that is a controlled foreign corporation under Section 957 of the Code, or (ii) a Subsidiary substantially all the assets of which consist of Equity Interests in Foreign Subsidiaries that constitute CFCs.

"**Change in Law**" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"**Change of Control**" means an event or series of events by which:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to

acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right"), directly or indirectly, of 35% or more of the equity securities of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully-diluted basis (and taking into account all such securities that such "person" or "group" has the right to acquire pursuant to any option right); or

(b) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body (excluding, in the case of both clause (ii) and clause (iii), any individual whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the board of directors).

"Closing Date" means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 10.01.

"Closing Date Compliance Certificate" has the meaning set forth in Section 4.01.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" means all of the "Collateral" and "Mortgaged Property" referred to in the Collateral Documents and all of the other property that is or is intended under the terms of the Collateral Documents to be subject to Liens in favor of the Administrative Agent for the benefit of the Secured Parties.

"Collateral Documents" means, collectively, the Security Agreement, the Securities Pledge Agreement, the Mortgages, the Related Real Estate Documents, the Account Control Agreements, all assignments and notices of assignment made or delivered pursuant to the provisions of the Assignment of Claims Acts of 1940, as amended, 31 U.S.C. 3727, 41 U.S.C. 15, the Perfection Certificate, each of the mortgages, collateral assignments, Security Agreement Supplements, security agreements, pledge agreements or other similar agreements delivered to the Administrative Agent pursuant to Section 6.12, and each of the other agreements, instruments or documents that creates or purports to create a Lien in favor of the Administrative Agent for the benefit of the Secured Parties.

"Commitment" means a Term Commitment or a Revolving Credit Commitment, as the context may require.

"Committed Loan Notice" means a notice of (a) a Borrowing, (b) a conversion of Loans from one Type to the other, or (c) a continuation of Eurodollar Rate Loans, pursuant to Section 2.02(a), which, if in writing, shall be substantially in the form of Exhibit A.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 *et seq.*), as amended from time to time, and any successor statute.

"Compliance Certificate" means a certificate substantially in the form of Exhibit D.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated Cash Interest Charges" means, for any Measurement Period, for the Borrower and its Subsidiaries on a consolidated basis, the aggregate amount of Consolidated Interest Charges payable in cash during such period.

"Consolidated Debt Service Coverage Ratio" means, as of any date of determination, the ratio of (a) the result of (i) Consolidated EBITDA for the most recently ended Measurement Period minus (ii) the greater of (x) \$20,000,000 and (y) aggregate amount of Maintenance CapEx during such Measurement Period to (b) the sum of (i) Consolidated Cash Interest Charges for such Measurement Period plus (ii) at any time prior to the Term Loan Termination Date, the aggregate principal amount of all regularly scheduled principal payments on Consolidated Funded Indebtedness (including, for the avoidance of doubt, the amount of regularly scheduled principal repayment installments of the Term Loans under Section 2.07(c) (other than the final principal repayment installment due on the Maturity Date for the Term Facility), without giving effect to any reductions thereof as a result of any optional or mandatory prepayments of the Term Loans (other than reductions thereof to zero (\$0) as a result of the repayment in full of the Term Loans in connection with a Term Loan Termination Date)) of the Borrower and its Subsidiaries, on a consolidated basis, for such Measurement Period plus (iii) at any time prior to the Term Loan Termination Date, the aggregate amount of all mandatory prepayments on Consolidated Funded Indebtedness, except mandatory prepayments of Loans made pursuant to Section 2.05(c) or any other provisions hereof, by the Borrower and its Subsidiaries, on a consolidated basis, during such Measurement Period.

"Consolidated EBITDA" means, for any Measurement Period, for the Borrower and its Subsidiaries on a consolidated basis, an amount equal to Consolidated Net Income for such period plus (a) without duplication, the following to the extent deducted in calculating such Consolidated Net Income: (i) Consolidated Interest Charges for such period, (ii) the provision for Federal, state, local and foreign income taxes payable by the Borrower and its Subsidiaries for such period, (iii) depreciation and amortization expense, (iv) extraordinary or non-recurring non-cash expenses attributable to minority positions in joint ventures, (v) non-cash, stock-based compensation expense, (vi) non-cash development expenses from joint ventures, (vii) without duplication, extraordinary or non-recurring cash and non-cash restructuring charges in connection with the termination of the Oxford-Emergent Tuberculosis Consortium joint venture, provided that the aggregate amount added back pursuant to this clause (vii) during the term of this Agreement shall not exceed \$2,806,000, (viii) non-cash charges consisting of impairment of long-lived assets, change in fair value of contingent value rights and amortization or write-off of intangible assets (including goodwill) and (ix) without duplication and, in each case of subclauses (ix)(A) through (ix)(E) below, as approved by the Administrative Agent in its reasonable discretion, (A) to the extent incurred in connection with the Target Acquisition or any other Permitted Acquisition (including, for the avoidance of any doubt, by any Subsidiary acquired in connection with any such Acquisition), one-time non-recurring severance charges and customary transaction fees, costs and expenses (which, in the case of severance charges, are incurred within twelve (12) months of the Target Acquisition Closing Date or the closing date of such Permitted Acquisition, as the case may be, and expected to be paid within twenty-four (24) months of the Target Acquisition Closing Date or the closing date of such Permitted Acquisition, as the case may be), (B) to the extent the Target Acquisition Closing Date occurs and to the extent incurred by the Target prior to the Target Acquisition Closing Date, restructuring and transaction costs incurred by the Target, (C) from and after the closing date of any Permitted Acquisition, pro forma restructuring and transaction costs with respect to Acquired EBITDA attributable to the applicable acquired entity in an aggregate amount approved by the Administrative Agent in its reasonable discretion, and (D) without duplication of actual cost savings realized, the amount of net cost savings in connection with the Target Acquisition which are projected by the Borrower in good faith to result from actions taken during the period for which Consolidated EBITDA is being determined (which net cost savings shall be calculated on a pro forma basis as though such cost savings had been realized on the first day of such period), provided that such cost savings are reasonably identifiable and factually supportable, and (E) without duplication of actual cost savings realized, the amount of net cost savings in connection with any Permitted Acquisition which are projected by the Borrower in good faith to result from actions taken during the period for which Consolidated EBITDA is being determined (which net cost savings shall be calculated on a pro forma basis as though such cost savings had been realized on the first day of such period), provided that (x) such cost savings are reasonably identifiable and factually supportable and (y) the aggregate amount of cost savings added pursuant to this clause (ix)(E) for any Permitted Acquisition during the term of this Agreement shall not exceed an amount approved by the Administrative Agent in its reasonable discretion minus (b) without duplication, the following to the extent included in calculating such Consolidated Net Income: (i) Federal, state, local and foreign income tax credits of the Borrower and its Subsidiaries for such period and (ii) all non-cash items increasing Consolidated Net Income for such period.

Notwithstanding the foregoing to the contrary, (x) the aggregate amount added pursuant to clause (a)(ix) contained in this definition above for any period shall in no event exceed 20% of Consolidated EBITDA for such period and (y) there shall be included in determining Consolidated EBITDA for any period, without duplication, the Acquired EBITDA of any Person or business, or attributable to any property or asset, acquired by the Borrower or any Subsidiary during such period (but not the Acquired EBITDA of any related Person or business or any Acquired EBITDA attributable to any assets or property, in each case to the extent not so acquired) in connection with a Permitted Acquisition to the extent not subsequently sold, transferred, abandoned or otherwise disposed by the Borrower or such Subsidiary, based on the actual Acquired EBITDA of such acquired entity or business for such period (including the portion thereof occurring prior to such acquisition or conversion).

"Consolidated Funded Indebtedness" means, as of any date of determination, for the Borrower and its Subsidiaries on a consolidated basis, the sum of (a) the outstanding principal amount of all obligations, whether current or long-term, for borrowed money (including Obligations hereunder) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (b) all purchase money Indebtedness, (c) all direct obligations arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments (in the case of surety bonds and similar instruments, to the extent included as a liability on the consolidated balance sheet of the Borrower and its Subsidiaries in accordance with GAAP), (d) all obligations in respect of the deferred purchase price (including, without limitation, in the form of earnouts, milestones and other contingent payment obligations to the extent included as a liability on the consolidated balance sheet of the Borrower and its Subsidiaries in accordance with GAAP) of property or services (other than trade accounts payable in the ordinary course of business), provided that royalties (and, to the extent reasonably approved by the Administrative Agent, other contingent payment obligations in the nature of a royalty payment (including those calculated based on a percentage of sales)) shall only be included in "Consolidated Funded Indebtedness" to the extent such liability exceeds the corresponding intangible item included on the consolidated balance sheet of the Borrower and its Subsidiaries, provided that any such corresponding intangible item shall be discernible and reasonably identifiable, (e) all Attributable Indebtedness in respect of Capitalized Leases and Synthetic Lease Obligations, (f) without duplication, all Guarantees with respect to outstanding Indebtedness of the types specified in clauses (a) through (e) above of Persons other than the Borrower or any Subsidiary, and (g) all Indebtedness of the types referred to in clauses (a) through (f) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which the Borrower or a Subsidiary is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to the Borrower or such Subsidiary.

"Consolidated Interest Charges" means, for any Measurement Period, for the Borrower and its Subsidiaries on a consolidated basis, the sum of (a) all interest, premium payments, debt discount, fees, charges and related expenses of the Borrower and its Subsidiaries in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP (excluding customary arrangement, upfront, administrative agency and amendment fees (in each case, to the extent not in the nature of interest charges) incurred in connection with the Facility or the convertible senior notes permitted under Section 7.03(i)) and (b) the portion of rent expense of the Borrower and its Subsidiaries under Capitalized Leases that is treated as interest in accordance with GAAP, in each case, of or by the Borrower and its Subsidiaries on a consolidated basis for such Measurement Period. Notwithstanding the foregoing, during any Measurement Period in which any Permitted Acquisition is consummated (x) Consolidated Interest Charges for such Measurement Period shall be calculated on a pro forma basis as if such Permitted Acquisition had been consummated on the first day of such Measurement Period and (y) there shall be included in determining the Consolidated Interest Charges for such period, without duplication, the Acquired Interest Charges of any Person or business, or attributable to any property or asset, acquired (including, without limitation, Target) by the Borrower or any Subsidiary during such period (but not the Acquired Interest Charges of any related Person or business or any Acquired Interest Charges attributable to any assets or property,

in each case to the extent not so acquired) in connection with such Permitted Acquisition to the extent not subsequently sold, transferred, abandoned or otherwise disposed by the Borrower or such Subsidiary, based on the actual Acquired Interest Charges of such acquired entity or business for such period (including the portion thereof occurring prior to such acquisition or conversion).

"Consolidated Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Funded Indebtedness as of such date to (b) Consolidated EBITDA for the most recently completed Measurement Period.

"Consolidated Net Income" means, at any date of determination, the net income (or loss) of the Borrower and its Subsidiaries on a consolidated basis for the most recently completed Measurement Period, determined in accordance with GAAP; provided that Consolidated Net Income shall exclude (a) non-cash extraordinary gains and extraordinary losses for such Measurement Period, (b) the net income of any Subsidiary during such Measurement Period to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of such income is not permitted by operation of the terms of its Organization Documents or any agreement, instrument or Law applicable to such Subsidiary during such Measurement Period, except that the Borrower's equity in any net loss of any such Subsidiary for such Measurement Period shall be included in determining Consolidated Net Income, and (c) any income (or loss) for such Measurement Period of any Person if such Person is not a Subsidiary, except that the Borrower's equity in the net income of any such Person for such Measurement Period shall be included in Consolidated Net Income up to the net amount of cash actually received by the Borrower or a Subsidiary from such Person during such Measurement Period as a dividend or other distribution (and in the case of a dividend or other distribution to a Subsidiary, such Subsidiary is not precluded from further distributing such amount to the Borrower as described in clause (c) of this proviso).

"Consolidated Senior Funded Indebtedness" means, as of any date of determination, for the Borrower and its Subsidiaries on a consolidated basis, the result of (a) Consolidated Funded Indebtedness as of such date minus (b) the sum of (i) the outstanding principal amount of all Indebtedness of the Borrower and its Subsidiaries that is expressly subordinated to the Obligations under the Loan Documents on terms, and pursuant to documentation, reasonably acceptable to the Administrative Agent plus (ii) the outstanding principal amount of all Indebtedness of the Borrower and its Subsidiaries under unsecured convertible senior notes, permitted under Section 7.03(i).

"Consolidated Senior Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Senior Funded Indebtedness as of such date to (b) Consolidated EBITDA for the most recently completed Measurement Period.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Controlled Account" "Control Account" means the (a) the BioThrax Receivables Account and (b) each other deposit account and securities account now or hereafter owned by any Loan Party, other than (i) disbursement accounts, payroll accounts, withholding tax and other fiduciary accounts (including any employee stock purchase plan account maintained in the ordinary course of business, consistent with past practice, and which only contains funds of employees), (ii) any deposit account or securities account with an average daily balance of less than \$750,000, provided that the aggregate daily balances in all such accounts do not exceed \$2,750,000 and (iii) until such time the Administrative Agent shall request that the Borrower provide a Securities Account Control Agreement therefor and provided that the Borrower utilizes such account in the ordinary course of business consistent with past practice, the employee option exercise proceeds account of the Borrower maintained with Merrill Lynch, Pierce, Fenner & Smith, Incorporated.

"Covered Entity" means (a) each Loan Party, (b) each Subsidiary of a Loan Party, and (c) each pledgor of Collateral for the Obligations.

"Credit Extension" means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate plus (ii) the Applicable Rate, if any, applicable to Base Rate Loans plus (iii) 2% per annum; provided, however, that with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate plus 2% per annum.

"Defaulting Lender" means, subject to Section 2.15(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the L/C Issuer, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Line Loans) within two (2) Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent, the L/C Issuer or the Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.15(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower, the L/C Issuer, the Swing Line Lender and each other Lender promptly following such determination.

"Deposit Account Control Agreement" shall mean an agreement in form and substance reasonably satisfactory to the Administrative Agent establishing the Administrative Agent's "control" (as such term is defined in Section 9-104 of the UCC) with respect to, or otherwise perfecting (in any comparable manner with respect to any non-U.S. jurisdiction) the Administrative Agent's Lien on, any deposit account.

"Designated Jurisdiction" means any country or territory to the extent such country or territory itself is the subject or target of any Sanction.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Disqualified Stock" shall mean, with respect to any Person, any Equity Interests of such Person that, by its terms (or by the terms of any security or other Equity Interest into which it is convertible or for which it is exchangeable) or upon the happening of any event or condition or pursuant to any agreement, (a) matures or is mandatorily redeemable (other than solely for Qualified Stock), pursuant to a sinking fund obligation or otherwise (except as a result of a Change of Control or asset sale so long as any rights of the holders thereof upon the occurrence of a Change of Control or asset sale event shall be subject to the prior repayment in full in cash of the Loans, Obligations (including, without limitation contingent reimbursement obligations) in respect of Letters of Credit and all other Obligations (other than contingent indemnification obligations as to which no claim has been made) and the termination of the Aggregate Commitments), (b) is redeemable at the option of the holder thereof (other than solely for Qualified Stock) (except as a result of a Change of Control or asset sale so long as any rights of the holders thereof upon the occurrence of a Change of Control or asset sale event shall be subject to the prior repayment in full in cash of the Loans, Obligations (including, without limitation contingent reimbursement obligations) in respect of Letters of Credit and all other Obligations (other than contingent indemnification obligations as to which no claim has been made) and the termination of the Aggregate Commitments), in whole or in part, (c) provides for the scheduled payments of dividends in cash or (d) is or may be convertible into or exchangeable for Indebtedness or any other Equity Interest that would constitute Disqualified Stock, in each case, prior to the date that is one hundred eighty (180) days after the latest scheduled Maturity Date; provided, that Equity Interests issued pursuant to a plan for the benefit of employees of Borrower or its Subsidiaries or by any such plan to such employees shall not constitute Disqualified Stock solely because it may be required to be repurchased by Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

"Documentation Agent" means J.P. Morgan Securities LLC, in its capacity as documentation agent hereunder.

"Dollar" and "\$" mean lawful money of the United States.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of any political subdivision of the United States.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 10.06(b)(iii) and (v) (subject to such consents, if any, as may be required under Section 10.06(b)(iii)).

"Environmental Laws" means all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions to the extent relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"**Environmental Liability**" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"**Environmental Permit**" means any permit, approval, identification number, license or other authorization required under any Environmental Law.

"**Equity Interests**" means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination; provided, however, that Indebtedness which is permitted under [Section 7.03\(i\)](#) and convertible or exchangeable into Equity Interests shall not constitute "Equity Interests" hereunder prior to the actual conversion thereof in full (or, in the case of a partial conversion, the applicable portion thereof) into Equity Interests.

"**ERISA**" means the Employee Retirement Income Security Act of 1974.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"**ERISA Event**" means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a "substantial employer" (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Section 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; or (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

"**Eurodollar Rate**" means:

(a) for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to the London Interbank Offered Rate ("**LIBOR**") or a comparable or successor rate, which rate is approved by the Administrative Agent in its reasonable discretion, as published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; and

(b) for any interest calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m., London time determined two Business Days prior to such date for U.S. Dollar deposits with a term of one month commencing that day;

provided that to the extent a comparable or successor rate is approved by the Administrative Agent in its reasonable discretion in connection herewith, such approved rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Administrative Agent, such approved rate shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

"**Eurodollar Rate Loan**" means a Loan that bears interest at a rate based clause (a) of the definition of "Eurodollar Rate."

"**Event of Default**" has the meaning specified in [Section 8.01](#).

"**Excluded Swap Obligation**" means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guaranty thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act (determined after giving effect to Section 22 of the Continuing Guaranty, dated as of the Closing Date, as amended and in effect from time to time, and any other "keepwell, support or other agreement" for the benefit of such Guarantor and any and all guaranties of such Guarantor's Swap Obligations by other Loan Parties) at the time the Guaranty of such Guarantor, or a grant by such Guarantor of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guaranty or security interest is or becomes excluded in accordance with the first sentence of this definition.

"**Excluded Taxes**" means any of the following Taxes imposed on or with respect to any Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its Lending Office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under [Section 10.13](#)) or (ii) such Lender changes its Lending Office, except in each case to the extent that, pursuant to [Section 3.01\(a\)\(ii\)](#) or (c), amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or such Lender immediately before it changed its Lending Office, (c) Taxes attributable to such Recipient's failure to comply with [Section 3.01\(e\)](#) and (d) any U.S. federal withholding Taxes imposed pursuant to FATCA.

"**Extraordinary Receipt**" means the net amount of any cash received by or paid to or for the account of any Person not in the ordinary course of business (including, without limitation, any termination fees payable to Borrower or its Subsidiaries under the Target Acquisition Agreement), including pension plan reversions, proceeds of casualty or property insurance (other than (x) proceeds of business interruption insurance (to the extent such proceeds are not paid in lieu of claims in respect of casualty and/or property insurance) and (y) insurance proceeds constituting reimbursement for out-of-pocket costs and expenses incurred by such Person or its Subsidiaries), condemnation awards (and payments in lieu thereof), indemnity payments (other than amounts received in respect of third party claims) and any purchase price adjustments; provided, however, that an Extraordinary Receipt shall not include cash receipts from tax refunds received by any Loan Party in the ordinary course of business.

"**Facility**" means the Term Facility or the Revolving Credit Facility, as the context may require.

"**FASB ASC**" means the Accounting Standards Codification of the Financial Accounting Standards Board.

"**FATCA**" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

"**FDA**" means the U.S. Food and Drug Administration (or analogous foreign, state or local Governmental Authority) and any successor thereto.

"**Federal Funds Rate**" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent.

"**Fee Letter**" means, collectively, (a) the letter agreement, dated October 16, 2013, among the Borrower, the Administrative Agent and Merrill Lynch, Pierce, Fenner & Smith, Incorporated, (b) the letter agreement, dated October 16, 2013, between the Borrower, PNC Bank, National Association and PNC Capital Markets LLC, and (c) the letter agreement, dated October 16, 2013, between the Borrower and J.P. Morgan Securities LLC.

"**FIRREA**" means the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended.

"**Fiscal Year**" means the twelve (12) month period ending December 31 of each calendar year.

"**Foreign Government Scheme or Arrangement**" has the meaning specified in [Section 5.12\(d\)](#).

"**Foreign Lender**" means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is a resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"**Foreign Subsidiary**" means each Subsidiary other than a Domestic Subsidiary.

"**Foreign Plan**" has the meaning specified in [Section 5.12\(d\)](#).

"**FRB**" means the Board of Governors of the Federal Reserve System of the United States.

"**Fronting Exposure**" means, at any time there is a Defaulting Lender, (a) with respect to the L/C Issuer, such Defaulting Lender's Applicable Percentage of the outstanding L/C Obligations other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swing Line Lender, such Defaulting Lender's Applicable Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders in accordance with the terms hereof.

"**Fund**" means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

"**GAAP**" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"**Government Furnished Property**," has the meaning specified in Section 5.08(a).

"**Governmental Authority**," means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

"**Guarantee**" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "**primary obligor**") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "**Guarantee**" as a verb has a corresponding meaning.

"**Guarantors**" means, collectively, the Domestic Subsidiaries of the Borrower (other than a CFC or a Domestic Subsidiary that is a Subsidiary of a Foreign Subsidiary that is a CFC) listed on Schedule 5.13 that is identified as a "Guarantor" and each other Subsidiary of the Borrower that shall be required to execute and deliver a guaranty or guaranty supplement pursuant to Section 6.12. As of the Closing Date, the Guarantors that are Subsidiaries of the Borrower are Emergent BioDefense Operations Lansing LLC, Emergent Manufacturing Operations Baltimore LLC, Emergent Manufacturing Operations Meriden LLC, Emergent Frederick LLC, Emergent Commercial Operations Frederick Inc., Emergent International Inc., Emergent Sales and Marketing US LLC, Emergent Product Development Gaithersburg Inc., Emergent Product Development Seattle, LLC, Emergent Europe Inc., Emergent Protective Products USA Inc., 400 Professional LLC.

"**Guaranty**," means, collectively, (a) the Continuing Guaranty dated as of the Closing Date made by the Guarantors and the Borrower in favor of the Secured Parties, and (b) each other guaranty and guaranty supplement delivered pursuant to Section 6.12.

"**Hazardous Materials**" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"**Hedge Bank**" means any Person that, at the time it enters into a Swap Contract permitted under Article VII, is a Lender or an Affiliate of a Lender, in its capacity as a party to such Swap Contract.

"**IFRS**" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

"**Indebtedness**" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;
- (b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments;
- (c) net obligations of such Person under any Swap Contract;
- (d) all obligations of such Person to pay the deferred purchase price (including, without limitation, in the form of earnouts, milestones and other contingent payment obligations) of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than 60 days after the date on which such trade account payable was created);
- (e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;
- (f) all Attributable Indebtedness in respect of Capitalized Leases and Synthetic Lease Obligations of such Person and all Synthetic Debt of such Person;
- (g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends, in each case to the extent required to be included as a liability on the consolidated balance sheet of the Borrower and its Subsidiaries in accordance with GAAP; and
- (h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person (x) shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person and (y) shall not include (i) prepaid or deferred revenue arising in the ordinary course of business and (ii) endorsements of checks or drafts arising in the ordinary course of business. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date.

"**Indemnified Taxes**" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

"**Indemnitees**" has the meaning specified in Section 10.04(b).

"**Information**" has the meaning specified in Section 10.07.

"**International Compliance Laws**" means all Laws applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery, corruption, terrorism, trade sanctions programs and embargoes and import/export licensing.

"**Interest Payment Date**" means, (a) as to any Loan other than a Base Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date for the applicable Facility; provided, however, that if any Interest Period for a Eurodollar Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan (including a Swing Line Loan), the last Business Day of each March, June, September and December and the Maturity Date for the applicable Facility.

"**Interest Period**" means, as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one, two, three or six months thereafter (in each case, subject to availability), as selected by the Borrower in its Committed Loan Notice or such other period that is twelve (12) months or less requested by the Borrower and consented to by all applicable Lenders; provided that:

- (a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;
- (b) any Interest Period pertaining to a Eurodollar Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and
- (c) no Interest Period shall extend beyond the Maturity Date for the applicable Facility.

"**Investment**" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of capital stock or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees Indebtedness of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"**Investment Policy**" means the investment policy of the Borrower and its Subsidiaries as of the Closing Date, as the same may be amended or otherwise modified from time to time.

"**IP Rights**" has the meaning specified in [Section 5.18](#).

"**IRS**" means the U.S. Internal Revenue Service.

"**ISP**" means, with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance).

"**Issuer Documents**" means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and the Borrower (or any Subsidiary) or in favor of the L/C Issuer and relating to such Letter of Credit.

"**Laws**" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"**L/C Advance**" means, with respect to each Revolving Credit Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Applicable Revolving Credit Percentage.

"**L/C Borrowing**" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Revolving Credit Borrowing.

"**L/C Credit Extension**" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

"**L/C Issuer**" means Bank of America in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder.

"**L/C Obligations**" means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with [Section 1.06](#). For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the ISP, such Letter of Credit shall be deemed to be "outstanding" in the amount so remaining available to be drawn.

"**Lender**" has the meaning specified in the introductory paragraph hereto and, unless the context requires otherwise, includes the Swing Line Lender.

"**Lending Office**" means, as to any Lender, the office or offices of such Lender described as such in such Lender's Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

"**Letter of Credit**" means any standby letter of credit issued hereunder providing for the payment of cash upon the honoring of a presentation thereunder.

"**Letter of Credit Application**" means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

"**Letter of Credit Expiration Date**" means the day that is seven days prior to the Maturity Date then in effect for the Revolving Credit Facility (or, if such day is not a Business Day, the next preceding Business Day).

"**Letter of Credit Fee**" has the meaning specified in [Section 2.03\(h\)](#).

"**Letter of Credit Sublimit**" means an amount equal to \$15,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Revolving Credit Facility.

"**LIBOR**" has the meaning specified in the definition of Eurodollar Rate.

"**Lien**" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"**Liquidity**" means, at any time of determination, an amount equal to the amount of domestic unencumbered, unrestricted cash and Cash Equivalents of the Loan Parties (to the extent such cash or Cash Equivalents are held in a Liquidity Account and as to which Administrative Agent shall have a first priority perfected Lien).

"**Liquidity Account**" means each Control Account established by the Loan Parties (a) for which the Administrative Agent shall act as the depository or securities intermediary, as the case may be or (b) for which any other financial institution (other than the Administrative Agent) shall act as the depository or securities intermediary, as the case may be, which account(s) shall, in the case of this clause (b), (x) be subject to an Account Control Agreement in favor of the Administrative Agent evidencing its first priority perfected Lien for the benefit of Secured Parties and (y) provide the Administrative Agent with the ability to accurately monitor the account balances in such account(s) (including information regarding any withdrawals and deposits relating to such account(s) and receipt by the Administrative Agent of continuous account information and monitoring) in a manner and pursuant to terms reasonably acceptable to the Administrative Agent. Notwithstanding the foregoing, during the period from the Closing Date through the date that is 60 days following the Closing Date, the definition of "Liquidity Account" shall include any Control Account regardless of whether or not such account is subject to an Account Control Agreement or has otherwise satisfied the requirements of clause (b) of this definition.

"**Loan**" means an extension of credit by a Lender to the Borrower under [Article II](#) in the form of a Revolving Credit Loan, a Swing Line Loan or a Term Loan.

"**Loan Documents**" means, collectively, (a) this Agreement, (b) the Notes, (c) the Guaranty, (d) the Collateral Documents, (e) the Fee Letter, (f) each Issuer Document, (g) the Post-Closing Agreement, (h) any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of [Section 2.14](#) of this Agreement, and (i) any other agreement now or hereafter executed, acknowledged and/or delivered by any Loan Party in connection herewith and designated as a "Loan Document".

"**Loan Parties**" means, collectively, the Borrower and each Guarantor.

"**London Banking Day**" means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market

"**Maintenance CapEx**" means, for any period, the aggregate amount of Capital Expenditures made during such period for the purpose of maintaining, or extending the useful life of, any capital asset (which do not otherwise constitute normal replacements and maintenance which are properly charged to current operations). For the avoidance of doubt, "Maintenance Cap Ex" shall not include any amount paid by the Borrower or any of its Subsidiaries in connection with the build-out the Baltimore location related to the Center for Innovation in Advanced Development and Manufacturing.

"**Material Adverse Effect**" means (a) a material adverse change in, or a material adverse effect on, the operations, business, assets, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Borrower and its Subsidiaries, taken as a whole; (b) a material impairment of the rights and remedies of the Administrative Agent or any Lender under any of the Loan Documents, or of the ability of the Borrower or any Guarantor to perform its obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower or any Guarantor of any Loan Document to which it is a party; provided that the termination of Specified Candidate Programs and the dissolution of any Specified Subsidiary shall not constitute a Material Adverse Effect.

"**Material Contract**" means, with respect to the Borrower and its Subsidiaries, (a) the BioThrax Contract, (b) each contract to which such Person is a party involving aggregate consideration payable to or by such Person of \$25,000,000 or more in any year, and (c) the Target Acquisition Agreement.

"**Material Government Contract**" means, with respect to the Borrower and its Subsidiaries, the BioThrax Contract and each other government contract to which such Person is a party involving aggregate consideration which may be payable to such Person of \$50,000,000 or more in any year.

"**Maturity Date**" means with respect to (a) the Revolving Credit Facility, the earlier of (i) December 11, 2018 or (ii) the Springing Maturity Date and (b) the Term Facility, the earliest of (i) September 30, 2015, (ii) the date that is the 21 month anniversary of the date of the Term Borrowing, (iii) the Springing Maturity Date and (iv) the earlier of (x) the date that the Target Acquisition Agreement is terminated and (y) the date that the Borrower and its Subsidiaries shall cease, in good faith, to pursue consummation of the Target Acquisition; provided, however, that, in each case, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

"**Measurement Period**" means, at any date of determination, the most recently completed four fiscal quarters of the Borrower.

"**Medicaid**" means that government-sponsored entitlement program under Title XIX, P.L. 89-97 of the Social Security Act, which provides federal grants to states for medical assistance based on specific eligibility criteria, as set forth on Section 1396, et seq. of Title 42 of the United States Code.

"**Medicare**" means that government-sponsored insurance program under Title XVIII, P.L. 89-97, of the Social Security Act, which provides for a health insurance system for eligible elderly and disabled individuals, as set forth at Section 1395, et seq. of Title 42 of the United States Code.

"**Minimum Collateral Amount**" means, at any time, (i) with respect to Cash Collateral consisting of cash or deposit account balances provided to reduce or eliminate Fronting Exposure during the existence of a Defaulting Lender, an amount equal to 100% of the Fronting Exposure of the L/C Issuer with respect to Letters of Credit issued and outstanding at such time, (ii) with respect to Cash Collateral consisting of cash or deposit account balances provided in accordance with the provisions of Section 2.14(a)(i), (a)(ii) or (a)(iii), an amount equal 103% of the Outstanding Amount of all LC Obligations, and (iii) otherwise, an amount determined by the Administrative Agent and the L/C Issuer in their sole discretion.

"**Mortgage**" means, collectively, each mortgage, deed of trust or deed to secure debt pursuant to which a Loan Party grants to the Administrative Agent, for the benefit of the Secured Parties, a Lien upon any Mortgage Property of such Loan Party, as security for the Obligations.

"**Mortgage Note**" means that certain Promissory Note (Multi-Rate Options), dated as of July 29, 2011 in the original principal amount of Thirty Million Dollars (\$30,000,000.00) made by Borrower in favor of PNC Bank, National Association as amended and restated in its entirety pursuant to that certain Amended and Restated Mortgage Note, dated as of the date hereof, made by the Borrower in favor of the Administrative Agent, for the benefit of the Lenders, in respect of Obligations of the Borrower in an aggregate principal amount at any time outstanding not to exceed Twenty-Eight Million Dollars (\$28,000,000.00).

"**Mortgaged Property**," shall mean, initially, each parcel of real property and the improvements thereon owned by a Loan Party, which properties are set forth on Schedule 5.08(c) and identified as "Mortgaged Property", and shall include each other parcel of real property and improvements thereto with respect to which a Mortgage is granted pursuant to Section 6.12.

"**Multiemployer Plan**" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"**Multiple Employer Plan**" means a Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"**Net Cash Proceeds**" means:

(a) with respect to any Disposition by any Loan Party or any of its Subsidiaries, or any Extraordinary Receipt received or paid to the account of any Loan Party or any of its Subsidiaries, the excess, if any, of (i) the sum of cash and Cash Equivalents received in connection with such transaction (including any cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) minus (ii) the sum of (A) the principal amount of any Indebtedness that is secured by the applicable asset and that is required to be repaid in connection with such transaction (other than Indebtedness under the Loan Documents), (B) the reasonable and customary out-of-pocket cost, fees, transaction Taxes, and other expenses incurred by such Loan Party or such Subsidiary in connection with such transaction, (C) income Taxes reasonably estimated to be actually payable within two years of the date of the relevant transaction as a result of any gain recognized in connection therewith; provided that, if the amount of any estimated taxes pursuant to subclause (C) exceeds the amount of taxes actually required to be paid in cash within two years in respect of such Disposition, the aggregate amount of such excess shall constitute Net Cash Proceeds and (D) a reasonable reserve for any purchase price adjustment that is payable within sixty (60) days of any Disposition permitted hereunder; provided that, if such amounts maintained in reserve pursuant to subclause (D) exceeds the amount of the actual purchase price adjustment required to be paid in cash in respect of such Disposition or if such purchase price adjustment is not paid within such sixty (60) day period, the aggregate amount of such excess (or the aggregate amount not paid within such sixty (60) day period) shall constitute Net Cash Proceeds; and

(b) with respect to the sale or issuance of any Equity Interest by any Loan Party or any of its Subsidiaries, or the incurrence or issuance of any Indebtedness by any Loan Party or any of its Subsidiaries, the excess of (i) the sum of the cash and Cash Equivalents received in connection with such transaction minus (ii) the underwriting discounts and commissions, and other reasonable and customary out-of-pocket expenses, incurred by such Loan Party or such Subsidiary in connection therewith.

"**Non-Consenting Lender**" means any Lender that does not approve any consent, waiver or amendment that (i) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 10.01 and (ii) has been approved by the Required Lenders.

"**Non-Defaulting Lender**" means, at any time, each Lender that is not a Defaulting Lender at such time.

"**Note**" means a Revolving Note, a Term Note or the Mortgage Note, as the context may require.

"**NPL**" means the National Priorities List under CERCLA.

"**Obligations**" means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan, Letter of Credit, Secured Cash Management Agreement or Secured Hedge Agreement, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding, provided that the Obligation shall exclude any Excluded Swap Obligations.

"**OFAC**" means the Office of Foreign Assets Control of the U.S. Department of the Treasury.

"**Organization Documents**" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"**Other Connection Taxes**" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"**Other Taxes**" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 3.06).

"**Outstanding Amount**" means (a) with respect to the Term Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any prepayments or repayments of the Term Loans occurring on such date; (b) with respect to Revolving Credit Loans and Swing Line Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Revolving Credit Loans and Swing Line Loans, as the case may be, occurring on such date; and (c) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date (as calculated in accordance with Section 1.06) after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

"**Participant**" has the meaning specified in Section 10.06(d).

"**Participant Register**" has the meaning specified in Section 10.06(d).

"**PBGC**" means the Pension Benefit Guaranty Corporation.

"**Pension Act**" means the Pension Protection Act of 2006.

"**Pension Funding Rules**" means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act. Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"**Pension Plan**" means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan), that is maintained or is contributed to by the Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"**Perfection Certificate**" has the meaning specified therefor in the Security Agreement.

"**Permitted Acquisition**" means (a) the Target Acquisition, solely to the extent made in compliance with the provisions of Section 7.02(h) and (b) any Investment which shall be made in compliance with the provisions of Section 7.02(g).

"**Permitted Encumbrances**" has the meaning specified in the Mortgages.

"**Person**" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"**Plan**" means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of the Borrower or any ERISA Affiliate or any such Plan to which the Borrower or any ERISA Affiliate is required to contribute on behalf of any of its employees.

"**Platform**" has the meaning specified in [Section 6.02](#).

"**Pledged Debt**" has the meaning specified in Section 4.1 of the Security Agreement.

"**Post-Closing Agreement**" means that certain Post-Closing Agreement dated as of Closing Date, among the Borrower, the Guarantors and the Administrative Agent with respect to certain documents and actions to be delivered or taken after the Closing Date, as amended, restated, supplemented or otherwise modified from time to time.

"**Public Lender**" has the meaning specified in [Section 6.02](#).

"**Qualified Stock**" shall mean any Equity Interest that is not Disqualified Stock.

"**Recipient**" means the Administrative Agent, any Lender, the L/C Issuer, the Swing Line Lender or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

"**Register**" has the meaning specified in [Section 10.06\(c\)](#).

"**Related Parties**" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"**Related Real Estate Documents**" means, with respect to any Mortgaged Property, the following, in form and substance reasonably satisfactory to the Administrative Agent and, with respect to any item described in clause (c)(vi)(x) and clause (c)(vi)(y), received by the Administrative Agent for review at least 15 days prior to the effective date of the Mortgage (or such shorter length of time as is acceptable to the Administrative Agent in its reasonable discretion):

(a) a duly executed and effective Mortgage with respect to such Mortgaged Property in form suitable for filing or recording in all filing or recording offices that the Administrative Agent may deem necessary or desirable in order to create a valid first and subsisting Lien on the property described therein in favor of the Administrative Agent for the benefit of the Secured Parties;

(b) a favorable opinion of counsel to the Loan Parties covering such matters as to the applicable Mortgage as the Administrative Agent may reasonably request; and

(c) each of the following:

(i) a mortgagee title policy (or binder therefor) covering the Administrative Agent's interest under the Mortgage, in a form and amount and by an insurer reasonably acceptable to the Administrative Agent, which must be fully paid on such effective date of the Mortgage;

(ii) such assignments of leases, rents, estoppel letters, attornment agreements, consents, waivers and releases as the Administrative Agent may require with respect to other Persons having an interest in the Mortgaged Property;

(iii) to the extent available, a current, as-built survey of the Mortgaged Property, containing a metes and bounds property description and flood plain certification;

(iv) the results of title searches;

(v) evidence of the insurance required by the terms of the Mortgages and the other Loan Documents;

(vi) (x) the results of flood zone determinations with respect to such Mortgaged Property, (y) duly executed flood zone notifications by the applicable Loan Party to the extent such Mortgaged Property is determined to be located in a flood zone, and (z) flood insurance in an amount, with endorsements and by an insurer reasonably acceptable to the Administrative Agent, if the Mortgaged Property is within a flood hazard zone; and

(vii) such other documents, instruments, reports, surveys and information as may be reasonably requested by the Administrative Agent in its reasonable discretion, including, without limitation, such as may be necessary to comply with FIRREA.

"**Reportable Event**" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

"**Request for Credit Extension**" means (a) with respect to a Borrowing, conversion or continuation of Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

"**Required Lenders**" means, (a) at any time there shall be less than four (4) Lenders, Lenders having Total Credit Exposure representing more than 66.67% of the Total Credit Exposure of all Lenders and (b) at any other time, Lenders having Total Credit Exposure representing more than 50% of the Total Credit Exposure of all Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time; provided that the amount of any participation in any Swing Line Loan and Unreimbursed Amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the Swing Line Lender or L/C Issuer, as the case may be, in making such determination.

"**Required Revolving Lenders**" means, (a) at any time there shall be less than four (4) Revolving Credit Lenders, Revolving Credit Lenders having Total Revolving Credit Exposure representing more than 66.67% of the Total Revolving Credit Exposure of all Revolving Credit Lenders and (b) at any other time, Revolving Credit Lenders having Total Revolving Credit Exposure representing more than 50% of the Total Revolving Credit Exposure of all Revolving Credit Lenders. The Total Revolving Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Revolving Lenders at any time; provided that the amount of any participation in any Swing Line Loan and Unreimbursed Amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Revolving Credit Lender shall be deemed to be held by the Revolving Credit Lender that is the Swing Line Lender or L/C Issuer, as the case may be, in making such determination.

"**Required Term Lenders**" means, (a) at any time there shall be less than four (4) Term Lenders, Term Lenders holding more than 66.67% of the Term Facility at such time and (b) at any other time, Term Lenders holding more than 50% of the Term Facility at such time. That portion of the Term Facility held by any Defaulting Lender shall be disregarded in determining Required Term Lenders at any time.

"**Responsible Officer**" means the chief executive officer, president, vice president, chief financial officer, manager or executive manager (in the case of any limited liability company), treasurer, assistant treasurer or controller of a Loan Party, solely for purposes of the delivery of incumbency certificates pursuant to [Section 4.01](#), the secretary or any assistant secretary of a Loan Party and, solely for purposes of notices given pursuant to [Article II](#), any other officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"**Restricted Payment**" means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to the Borrower's stockholders, partners or members (or the equivalent Person thereof).

"**Revolving Credit Borrowing**" means a borrowing consisting of simultaneous Revolving Credit Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Revolving Credit Lenders pursuant to [Section 2.01\(a\)](#).

"**Revolving Credit Commitment**" means, as to each Revolving Credit Lender, its obligation to (a) make Revolving Credit Loans to the Borrower pursuant to [Section 2.01\(a\)](#), (b) purchase participations in L/C Obligations, and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on [Schedule 2.01](#) under the caption "Revolving Credit Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. The aggregate Revolving Credit Commitments of all of the Revolving Credit Lenders on the Closing Date are \$100,000,000.

"**Revolving Credit Exposure**" means, as to any Revolving Credit Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Credit Loans and such Revolving Credit Lender's participation in L/C Obligations and Swing Line Loans at such time.

"**Revolving Credit Facility**" means, at any time, the aggregate amount of the Revolving Credit Lenders' Revolving Credit Commitments at such time.

"**Revolving Credit Lender**" means, at any time, any Lender that has a Revolving Credit Commitment at such time.

"**Revolving Credit Loan**" has the meaning specified in [Section 2.01\(a\)](#).

"**Revolving Note**" means a promissory note made by the Borrower in favor of a Revolving Credit Lender evidencing Revolving Credit Loans or Swing Line Loans, as the case may be, made by such Revolving Credit Lender, substantially in the form of [Exhibit C-1](#).

"**Sanction(s)**" means any international economic or financial sanctions or trade embargoes administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"**Sanctioned Person**" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority, or (b) any Person organized or resident in a Designated Jurisdiction.

"**S&P**" means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. and any successor thereto.

"**SEC**" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"**Secured Cash Management Agreement**" means any Cash Management Agreement that is entered into by and between any Loan Party and any Cash Management Bank.

"**Secured Hedge Agreement**" means any Swap Contract permitted under Article VII that is entered into by and between any Loan Party and any Hedge Bank.

"**Secured Parties**" means, collectively, the Administrative Agent, the Lenders, the L/C Issuer, the Hedge Banks, the Cash Management Banks, each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.05, and the other Persons the Obligations owing to which are or are purported to be secured by the Collateral under the terms of the Collateral Documents.

"**Securities Account Control Agreement**" shall mean an agreement substantially in form and substance reasonably satisfactory to the Administrative Agent establishing the Administrative Agent's "control" (as such term is defined in Section 9-104 of the UCC) with respect to, or otherwise perfecting (in any comparable manner as required under the laws of any applicable non-U.S. jurisdiction) the Administrative Agent's Lien on, any securities account.

"**Securities Collateral**" shall have the meaning set forth in the Securities Pledge Agreement.

"**Securities Pledge Agreement**" means, collectively, (a) that certain Securities Pledge Agreement, executed and delivered on the Closing Date, by and between the Loan Parties and the Administrative Agent, and (b) any other securities pledge agreement that may be entered into after the Closing Date with respect to a Subsidiary of the Borrower pursuant to Section 6.12, in each case, in form and substance reasonably satisfactory to the Administrative Agent and as amended and in effect from time to time.

"**Security Agreement**" means, collectively, (a) that certain Security Agreement, executed and delivered on the Closing Date, between the Loan Parties and the Administrative Agent, and (b) any other security agreement that may be entered into after the Closing Date with respect to a Subsidiary of the Borrower pursuant to Section 6.12, in each case, in form and substance reasonably satisfactory to the Administrative Agent and as amended and in effect from time to time.

"**Social Security Act**" means the Social Security Act of 1965.

"**Solvent**" and "**Solvency**" mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature, (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital, and (e) such Person is able to pay its debts and liabilities, contingent obligations and other commitments as they mature in the ordinary course of business. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"**Specified Candidate Program**" means each of the drug candidate programs identified on Schedule 1.01(s)(i).

"**Specified Defaults**" means those Events of Default described in Sections 8.01(a), 8.01(b) (but solely with respect to an Event of Default that arises from a failure by the Borrower or any other Loan Party to perform or observe each financial covenant set forth in Section 7.11), 8.01(f) and any Event of Default arising as a result of the failure to comply with the requirements of Section 7.02(b), hereof.

"**Specified Indebtedness**" means Indebtedness of the Borrower and its Subsidiaries identified on Schedule 1.01(s)(ii).

"**Specified Loan Party**" means any Loan Party that is not an "eligible contract participant" under the Commodity Exchange Act (determined prior to giving effect to Section 22 of the Continuing Guaranty, dated as of the Closing Date, as amended and in effect from time to time).

"**Specified Representations and Warranties**" means those representations and warranties made by the Borrower and the other Loan Parties in Section 5.01(a) (with respect to organizational existence only), Section 5.01(b)(ii), Section 5.02, Section 5.03, Section 5.04, Section 5.14, Section 5.19, Section 5.20 and in the officer's certificate delivered pursuant to Section 7.02(h)(xi).

"**Specified Subsidiary**" means each of the Subsidiaries of the Borrower identified on Schedule 1.01(s)(iii).

"**Specified Target Acquisition Subsidiaries**" means, collectively, the Subsidiaries of the Target that are organized under the laws of any political subdivision of the United States as of the Closing Date.

"**Spot Rate**" has the meaning set forth in Section 1.07.

"**Springing Maturity Date**" means the date that is 120 days before the date that Indebtedness of the Borrower or any Guarantor under convertible senior notes permitted under Section 7.03(i) shall (or may) become due and payable.

"**Subsidiary**" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower (including, pursuant to Section 1.03(c), any variable interest entity that the Borrower is required to consolidate pursuant to FASB ASC 810).

"**Swap Contract**" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"**Swap Obligations**" means with respect to any Guarantor any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"**Swap Termination Value**" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"**Swing Line Borrowing**" means a borrowing of a Swing Line Loan pursuant to Section 2.04.

"**Swing Line Lender**" means Bank of America in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

"**Swing Line Loan**" has the meaning specified in Section 2.04(a).

"**Swing Line Loan Notice**" means a notice of a Swing Line Borrowing pursuant to Section 2.04(b), which, if in writing, shall be substantially in the form of Exhibit B.

"**Swing Line Sublimit**" means an amount equal to the lesser of (a) \$15,000,000 and (b) the Revolving Credit Facility. The Swing Line Sublimit is part of, and not in addition to, the Revolving Credit Facility.

"**Syndication Agent**" means PNC Bank, National Association.

"**Synthetic Debt**" means, with respect to any Person as of any date of determination thereof, all obligations of such Person in respect of transactions entered into by such Person that are intended to function primarily as a borrowing of funds (including any minority interest transactions that function primarily as a borrowing) but are not otherwise included in the definition of "Indebtedness" or as a liability on the consolidated balance sheet of such Person and its Subsidiaries in accordance with GAAP.

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property (including sale and leaseback transactions), in each case, creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Target" means a company previously identified to the Lenders prior to the Closing Date and code-named "Caribou".

"Target Acquisition" means the acquisition by the Borrower (directly or through one or more Target Acquisition Subsidiaries) of all of the capital stock of the Target pursuant to the Target Acquisition Agreement.

"Target Acquisition Agreement" means that certain Arrangement Agreement, expected to be dated on or about December 11, 2013 among the Borrower, the Target and the Target Acquisition Subsidiary, in form and substance satisfactory to the Administrative Agent and the Lenders, and all related agreements and documents, true and correct copies of the form of which shall have been delivered to the Administrative Agent and the Lenders pursuant to Section 4.01(i), it being acknowledged and agreed by the Administrative Agent and the Lenders the Arrangement Agreement and such other related agreements and documents so delivered to the Administrative Agent and the Lenders are in form and substance satisfactory to the Administrative Agent and the Lenders.

"Target Acquisition Agreement Representations" means the representations and warranties of the Target and its Subsidiaries made (or deemed made on behalf of such Person) in the Target Acquisition Agreement (subject to the effectiveness thereof).

"Target Acquisition Closing Date" the date that the Target Acquisition is consummated in accordance with the Target Acquisition Agreement and the Loan Documents.

"Target Acquisition Credit Extensions" means Credit Extensions made on the Target Acquisition Closing Date which are exclusively used by the Borrower to, substantially contemporaneously, fund the Target Acquisition permitted under Section 7.02(b).

"Target Acquisition Purchase Price" has the meaning specified in Section 7.02(h).

"Target Acquisition Subsidiary" means each direct or indirect Subsidiary of the Borrower (including, for the avoidance of any doubt, Target and its Subsidiaries) formed and/or acquired in connection with the proposed acquisition of Target by the Borrower (directly or through one or more wholly owned (or newly formed) Subsidiaries).

"Target Cash" means, at any time of determination, the amount of Net Cash (as defined in the final form of Target Acquisition Agreement delivered to the Administrative Agent on the Closing Date) at such time; provided, however, the aggregate amount any items added back in the determination of Net Cash pursuant to such definition (including, without limitation, in respect of fees associated with any filings made pursuant to applicable antitrust Laws and paid by Target) shall not exceed \$500,000 in the aggregate.

"Target Cash Calculation Time" means, the close of business on the Business Day on which the Final Order (as defined in the final form of Target Acquisition Agreement delivered to the Administrative Agent on the Closing Date) is issued.

"Target Cash Distribution Amount" means, at any time of determination, an amount equal to the greater of (a) (i) the greater of (x) Target Cash at such time and (y) Target Cash as of the Target Cash Calculation Time less (ii) an amount determined by the Borrower in its reasonable business judgment as necessary to be maintained with the Target for working capital purposes (provided that the amount so maintained with the Target pursuant to this clause (ii) shall in no event exceed \$10,000,000) and (b) the amount necessary to ensure compliance with the Minimum Liquidity covenant set forth in Section 7.11(d) as of the 31st day following the Target Acquisition Closing Date.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Borrowing" means a borrowing consisting of simultaneous Term Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Term Lenders pursuant to Section 2.01(b).

"Term Commitment" means, as to each Term Lender, its obligation to make Term Loans to the Borrower pursuant to Section 2.01(b), in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Term Lender's name on Schedule 2.01 under the caption "Term Commitment" or opposite such caption in the Assignment and Assumption pursuant to which such Term Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement (including any automatic reductions in the Term Commitments pursuant to Section 2.06(e)). The aggregate Term Commitments of all of the Term Lenders on the Closing Date are \$125,000,000.

"Term Facility" means, at any time, (a) at any time during the Term Loan Availability Period, the aggregate amount of the Term Commitments at such time and (b) thereafter, the aggregate principal amount of the Term Loans of all Term Lenders outstanding at such time.

"Term Lender" means (a) at any time on or prior to the Term Borrowing, any Lender that has a Term Commitment at such time and (b) at any time after the Term Borrowing, any Lender that holds Term Loans at such time.

"Term Loan" means an advance made by any Term Lender under the Term Facility.

"Term Loan Availability Period" means, in respect of the Term Facility, the period from and including the Closing Date to the earliest of (i) March 31, 2014, (ii) the date of the Term Borrowing, (iii) the date that is the earlier of (x) the termination of the Arrangement Agreement and (y) the date that the Borrower and its Subsidiaries shall cease to pursue (in good faith) the consummation of the Target Acquisition, and (iv) the date of the termination of the commitments of the respective Term Lenders to make Term Loans pursuant to Section 8.02.

"Term Loan Termination Date" means the date which is the earliest to occur of (i) at any time prior to the Term Borrowing, (x) the expiration of the Term Commitments in accordance with the terms hereof and (y) the date of the termination of the Term Commitments or the reduction of the Term Commitments to zero, in each case, in accordance with the terms hereof and (ii) at any time after the Term Borrowing, (x) the termination or the reduction of the Term Commitments to zero \$(0) and (y) the payment in full in cash of all Term Loans.

"Term Note" means a promissory note made by the Borrower in favor of a Term Lender evidencing Term Loans made by such Term Lender, substantially in the form of Exhibit C-2.

"Threshold Amount" means \$10,000,000.

"Total Credit Exposure" means, as to any Lender at any time, (i) the Total Revolving Credit Exposure of such Lender, if any, and (ii) the aggregate amount of outstanding Term Commitments and aggregate principal amount of outstanding Term Loans of such Lender at such time, if any.

"Total Revolving Credit Exposure" means, as to any Revolving Credit Lender at any time, the unused Revolving Credit Commitments and Revolving Credit Exposure of such Revolving Credit Lender at such time.

"Total Outstandings" means the aggregate Outstanding Amount of all Loans (including Swing Line Loans) and L/C Obligations.

"Total Revolving Credit Outstandings" means the aggregate Outstanding Amount of all Revolving Credit Loans, Swing Line Loans and L/C Obligations.

"Transaction Consideration" means, in connection with any purchase or other acquisition made or to be made pursuant to Section 7.02(g) or Section 7.02(h), an amount equal to the total cash and noncash consideration (including all (a) indemnities, earnouts, milestones and other contingent payment obligations to the sellers thereof and (b) all assumptions of debt (which shall be determined net (without duplication of) unencumbered cash received from the sellers thereof), liabilities and other obligations (other than operating lease liabilities) in connection therewith) paid or to be paid by or on behalf of the Borrower and its Subsidiaries for any such purchase or other acquisition; provided, however, that in determining the aggregate amount of Transaction Consideration for any such purchase or other acquisition (i) earnouts, milestones and other contingent payment obligations shall be included solely to the extent (x) such obligations may become due and payable on or prior to the Maturity Date for the Revolving Credit Facility and (y) such amount is required to be recorded on the financial statements of the Borrower and its Subsidiaries in accordance with GAAP in connection with such acquisition and (ii) the value of all Equity Interests issued or transferred to the sellers pursuant to such acquisition and the aggregate amounts paid or to be paid under noncompete, consulting and employment agreements, in each case, in connection with such purchase or other acquisition shall be excluded.

"TRU-016" means TRU-016 (Humanized Anti-CD37 therapeutic), a mono-specific protein therapeutic for the potential treatment of chronic lymphocytic leukemia.

"Type" means, with respect to a Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

"UCC" means the Uniform Commercial Code as in effect in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"Unfunded Pension Liability" means the excess of a Pension Plan's benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Pension Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

"Uninsured Liabilities" shall mean any losses, damages, costs, expenses and/or, liabilities (including any losses, damages, costs, expenses or liabilities resulting from property damage or casualty, general liability, workers' compensation claims and business interruption) incurred by the Borrower or any Subsidiary which are not covered by insurance, but with respect to which insurance coverage is commercially available in the ordinary course of business to Persons engaged in the same or similar business as the Borrower and its Subsidiaries.

"United States" and "U.S." mean the United States of America.

"Unreimbursed Amount" has the meaning specified in Section 2.03(c)(i).

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 3.06(e)(ii)(B)(III).

"Withholding Agent" means any Loan Party and the Administrative Agent.

1.02 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto," "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03 Accounting Terms.

(a) **Generally.** All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) **Changes in GAAP.** If at any time any change in GAAP (including the adoption of IFRS) would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP as in effect prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with that reflected in the Audited Financial Statements for all purposes of this Agreement, notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provide for above.

(c) **Consolidation of Variable Interest Entities.** All references herein to consolidated financial statements of the Borrower and its Subsidiaries or to the determination of any amount for the Borrower and its Subsidiaries on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that the Borrower is required to consolidate pursuant to FASB ASC 810 as if such variable interest entity were a Subsidiary as defined herein.

1.04 Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 Times of Day; Rates. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable). The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to the administration, submission or any other matter related to the rates in the definition of "Eurodollar Rate" or with respect to any comparable or successor rate thereto.

1.06 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided, however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

1.07 Currency Equivalents Generally. Any amount specified in this Agreement (other than in Articles II, IX and X) or any of the other Loan Documents to be in Dollars shall also include the equivalent of such amount in any currency other than Dollars, such equivalent amount thereof in the applicable currency to be determined by the Administrative Agent at such time on the basis of the Spot Rate (as defined below) for the purchase of such currency with Dollars. For purposes of this Section 1.07, the "Spot Rate" for a currency means the rate determined by the Administrative Agent to be the rate quoted by the Person acting in such capacity as the spot rate for the purchase by such Person of such currency with another currency through its principal foreign exchange trading office at approximately 11:00 a.m. on the date two (2) Business Days prior to the date of such determination; provided that the Administrative Agent may obtain such Spot Rate from another financial institution designated by the Administrative Agent if the Person acting in such capacity does not have as of the date of determination a spot buying rate for any such currency.

ARTICLE II

THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 The Loans.

(a) **Revolving Credit Loans.** Subject to the terms and conditions set forth herein, each Revolving Credit Lender severally agrees to make loans (each such loan, a "Revolving Credit Loan") to the Borrower from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Revolving Credit Commitment; provided, however, that after giving effect to any Revolving Credit Borrowing, (i) the Total Revolving Credit Outstandings shall not exceed the Revolving Credit Facility, and (ii) the aggregate Outstanding Amount of the Revolving Credit Loans of any Lender, plus such Revolving Credit Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Revolving Credit Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Revolving Credit Lender's Revolving Credit Commitment. Within the limits of each Revolving Credit Lender's Revolving Credit Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01(a), prepay under Section 2.05, and reborrow under this Section 2.01(a). Revolving Credit Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

(b) **Term Loan.** Subject to the terms and conditions set forth herein, each Term Lender severally agrees to make a single loan to the Borrower, on a Business Day during the Term Loan Availability Period, in an aggregate amount not to exceed such Term Lender's Term Commitment. The Term Borrowing shall consist of Term Loans made simultaneously by the Term Lenders in accordance with their respective Applicable Percentage of the Term Facility. Amounts borrowed under this Section 2.01(b) and repaid or prepaid may not be reborrowed. Term Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

2.02 Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing, each conversion of Term Loans or Revolving Credit Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Loans, and (ii) on the requested date of any Borrowing of Base Rate Loans; provided, however, that if the Borrower wishes to request Eurodollar Rate Loans having an Interest Period other than one, two, three or six months in duration as provided in the definition of "Interest Period," the applicable notice must be received by the Administrative Agent not later than 11:00 a.m. four Business Days prior to the requested date of such Borrowing, conversion or continuation, whereupon the Administrative Agent shall give prompt notice to the Appropriate Lenders of such request and determine whether the requested Interest Period is acceptable to all of them. Not later than 11:00 a.m., three Business Days before the requested date of such Borrowing, conversion or continuation, the Administrative Agent shall notify the Borrower (which notice may be by telephone) whether or not the requested Interest Period has been consented to by all the Lenders. Each telephonic notice by the Borrower pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a written Committed Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof. Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof. Each Committed Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Revolving Credit Borrowing, a Term Borrowing, a conversion of Term

Loans or Revolving Credit Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Term Loans or Revolving Credit Loans to be borrowed, converted or continued, (iv) the Type of Term Loans or Revolving Credit Loans to be borrowed or to which existing Term Loans or Revolving Credit Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Loan in a Committed Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Term Loans or Revolving Credit Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. Notwithstanding anything to the contrary herein, a Swing Line Loan may not be converted to a Eurodollar Rate Loan.

(b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Appropriate Lender of the amount of its Applicable Percentage under the applicable Facility of the Term Loans or Revolving Credit Loans, as the case may be, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Appropriate Lender of the details of any automatic conversion to Base Rate Loans described in the preceding subsection. In the case of a Revolving Credit Borrowing or a Term Borrowing, each Appropriate Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of Bank of America with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower; provided, however, that if, on the date a Committed Loan Notice with respect to a Revolving Credit Borrowing is given by the Borrower, there are L/C Borrowings outstanding, then the proceeds of such Revolving Credit Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings, and second, shall be made available to the Borrower as provided above.

(c) Except as otherwise provided herein, a Eurodollar Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurodollar Rate Loan. During the existence of a Default or Event of Default, no Loans may be requested as, converted to or continued as Eurodollar Rate Loans without the consent of the Required Lenders.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrower and the Lenders of any change in Bank of America's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Revolving Credit Borrowings, all conversions of Revolving Credit Loans from one Type to the other, and all continuations of Revolving Credit Loans as the same Type, there shall not be more than 6 Interest Periods in effect in respect of the Revolving Credit Facility. After giving effect to the Term Borrowing, all conversions of Term Loans from one Type to the other, and all continuations of Term Loans as the same Type, there shall not be more than 6 Interest Periods in effect in respect of the Term Facility.

2.03 Letters of Credit.

(a) The Letter of Credit Commitment. (i) Subject to the terms and conditions set forth herein, (A) the L/C Issuer agrees, in reliance upon the agreements of the Revolving Credit Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit for the account of the Borrower or its Subsidiaries, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Revolving Credit Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower or its Subsidiaries and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Total Revolving Credit Outstandings shall not exceed the Revolving Credit Facility, (y) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Credit Commitment, and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed.

(ii) The L/C Issuer shall not issue any Letter of Credit if:

(A) subject to Section 2.03(b)(iii), the expiry date of the requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required Revolving Lenders have approved such expiry date; or

(B) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless the Administrative Agent and the L/C Issuer have approved such expiry date (it being understood that in the event the expiry date of any requested Letter of Credit would occur after the Letter of Credit Expiration Date, from and after the Letter of Credit Expiration Date, the Borrower shall immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations in respect of such Letters of Credit in accordance with Section 2.14).

(iii) The L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing the Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or the Letter of Credit in particular or shall impose upon the L/C Issuer with respect to the Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it;

(B) the issuance of the Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally;

(C) except as otherwise agreed by the Administrative Agent and the L/C Issuer, the Letter of Credit is in an initial stated amount less than \$100,000;

(D) the Letter of Credit is to be denominated in a currency other than Dollars;

(E) any Revolving Credit Lender is at that time a Defaulting Lender, unless the L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to the L/C Issuer (in its sole discretion) with the Borrower or such Revolving Credit Lender to eliminate the L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.15(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other L/C Obligations as to which the L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion; or

(iv) The L/C Issuer shall not amend any Letter of Credit if the L/C Issuer would not be permitted at such time to issue the Letter of Credit in its amended form under the terms hereof.

(v) The L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) the L/C Issuer would have no obligation at such time to issue the Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of the Letter of Credit does not accept the proposed amendment to the Letter of Credit.

(vi) The L/C Issuer shall act on behalf of the Revolving Credit Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article IX included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to the L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application may be sent by facsimile, by U.S. mail, by overnight courier, by electronic transmission using the system provided by the L/C Issuer, by personal delivery or by any other means acceptable to the L/C Issuer. Such Letter of Credit Application must be received by the L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least five Business Days (or such later date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer:

(A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents (if any) to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as the L/C Issuer may reasonably require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the L/C Issuer may reasonably require. Additionally, the Borrower shall furnish to the L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as the L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, the L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, the L/C Issuer will provide the Administrative Agent with a copy thereof. Unless the L/C Issuer has received written notice from any Revolving Credit Lender, the Administrative Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower (or the applicable Subsidiary) or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Revolving Credit Lender's Applicable Percentage times the amount of such Letter of Credit.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, the L/C Issuer may, in its sole discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit the L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be specified in such Letter of Credit. Unless otherwise directed by the L/C Issuer, the Borrower shall not be required to make a specific request to the L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Revolving Credit Lenders shall be deemed to have authorized (but may not require) the L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that the L/C Issuer shall not permit any such extension if (A) the L/C Issuer has determined that it would not be permitted, or would have no obligation at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a), or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Revolving Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Revolving Credit Lender or the Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each such case directing the L/C Issuer not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the L/C Issuer shall notify the Borrower and the Administrative Agent thereof. Not later than 11:00 a.m. on the date of any payment by the L/C Issuer under a Letter of Credit (each such date, an "Honor Date"), the Borrower shall reimburse the L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If the Borrower fails to so reimburse the L/C Issuer by such time, the Administrative Agent shall promptly notify each Revolving Credit Lender of the Honor Date, the amount of the unreimbursed drawing (the "Unreimbursed Amount"), and the amount of such Revolving Credit Lender's Applicable Revolving Credit Percentage thereof. In such event, the Borrower shall be deemed to have requested a Revolving Credit Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Revolving Credit Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Committed Loan Notice). Any notice given by the L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Revolving Credit Lender shall upon any notice pursuant to Section 2.03(c)(i) make funds available (and the Administrative Agent may apply Cash Collateral provided for this purpose) for the account of the L/C Issuer at the Administrative Agent's Office in an amount equal to its Applicable Revolving Credit Percentage of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Revolving Credit Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Revolving Credit Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Revolving Credit Lender's payment to the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Revolving Credit Lender funds its Revolving Credit Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Revolving Credit Percentage of such amount shall be solely for the account of the L/C Issuer.

(v) Each Revolving Credit Lender's obligation to make Revolving Credit Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, the Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default or Event of Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Credit Lender's obligation to make Revolving Credit Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Borrower of a Committed Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Revolving Credit Lender fails to make available to the Administrative Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), then, without limiting the other provisions of this Agreement, the L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the L/C Issuer in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Credit Loan included in the relevant Revolving Credit Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the L/C Issuer submitted to any Revolving Credit Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Revolving Credit Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Revolving Credit Percentage thereof in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Revolving Credit Lender shall pay to the Administrative Agent for the account of the L/C Issuer its Applicable Revolving Credit Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Borrower to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement, or any other Loan Document;

- (ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;
- (iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;
- (iv) waiver by the L/C Issuer of any requirement that exists for the L/C Issuer's protection and not the protection of the Borrower or any waiver by the L/C Issuer which does not in fact materially prejudice the Borrower;
- (v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;
- (vi) any payment made by the L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC or the ISP, as applicable.
- (vii) any payment by the L/C Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by the L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or
- (viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or any Subsidiary.

The Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Borrower's instructions or other irregularity, the Borrower will promptly (but in any event, on the same Business Day and prior to the delivery of such Letter of Credit to the applicable beneficiary thereof) notify the L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) **Role of L/C Issuer.** Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by the Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Revolving Credit Lenders or the Required Revolving Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (v) of Section 2.03(g); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit. In furtherance and not in limitation of the foregoing, the L/C Issuer acting in good faith may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and the L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. The L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) **Applicability of ISP; Limitation of Liability.** Unless otherwise expressly agreed by the L/C Issuer and the Borrower when a Letter of Credit is issued, the rules of the ISP shall apply to each standby Letter of Credit. Notwithstanding the foregoing, the L/C Issuer shall not be responsible to the Borrower for, and the L/C Issuer's rights and remedies against the Borrower shall not be impaired by, any action or inaction of the L/C Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where the L/C Issuer or the beneficiary is located, the practice stated in the ISP, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association ("BAFT-IFSA"), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(h) **Letter of Credit Fees.** The Borrower shall pay to the Administrative Agent for the account of each Revolving Credit Lender in accordance, subject to Section 2.15, with its Applicable Revolving Credit Percentage a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Rate times the daily amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (i) due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand and (ii) computed on a quarterly basis in arrears. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, (a) upon the occurrence and during the continuance of any Event of Default under Section 8.01(a)(i), all Letter of Credit Fees shall accrue at the Default Rate and (ii) upon (x) the occurrence and during the continuance of any Event of Default under Section 8.01(a)(ii) or Section 8.01(a)(iii) and (y) at the request of the Required Revolving Lenders, all Letter of Credit Fees shall accrue at the Default Rate.

(i) **Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer.** The Borrower shall pay directly to the L/C Issuer for its own account a fronting fee with respect to each Letter of Credit, at the rate per annum specified in the Fee Letter, computed on the daily amount available to be drawn under such Letter of Credit on a quarterly basis in arrears. Such fronting fee shall be due and payable on the tenth Business Day after the end of each March, June, September and December in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition, the Borrower shall pay directly to the L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(j) **Conflict with Issuer Documents.** In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(k) **Release of Lenders' Obligations.** Notwithstanding anything to the contrary contained herein or in any other Loan Document, in the event that (i) the L/C Issuer shall have issued, in accordance with Section 2.03(a)(ii)(B), a Letter of Credit with an expiry date occurring after the Letter of Credit Expiration Date and (ii) the Borrower shall have Cash Collateralized the Outstanding Amount of all such L/C Obligations in respect of such Letter of Credit pursuant to Section 2.14, then, upon the provision of such Cash Collateral and without any further action, each Lender hereunder shall be automatically released from any further obligation to the L/C Issuer in respect of such Letter of Credit, including, without limitation, any obligation of any such Lender to reimburse the L/C Issuer for amounts drawn under such Letter of Credit or to purchase any risk participation therein; provided, however, that all such obligations of each Lender hereunder to the L/C Issuer in respect of such Letter of Credit shall be revived if any Cash Collateral provided by the Borrower in respect of such Letter of Credit is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or the L/C Issuer) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Laws or otherwise, all as if such Cash Collateral had not been provided. The obligations of the Lenders under this paragraph shall survive termination of this Agreement.

(l) **Letters of Credit Issued for Subsidiaries.** Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary, the Borrower shall be obligated to reimburse the L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of Subsidiaries inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

2.04 Swing Line Loans.

(a) **The Swing Line.** Subject to the terms and conditions set forth herein, the Swing Line Lender, in reliance upon the agreements of the other Revolving Credit Lenders set forth in this Section 2.04, may in its sole discretion make loans (each such loan, a "Swing Line Loan") to the Borrower from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Applicable Percentage of the Outstanding Amount of Revolving Credit Loans and L/C Obligations of the Revolving Credit Lender acting as Swing Line Lender, may exceed the amount of such Lender's Revolving Credit Commitment; provided, however, that (x) after giving effect to any Swing Line Loan, (i) the Total Revolving Credit Outstandings shall not exceed the Revolving Credit Facility at such time, and (ii) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Credit Commitment, (y) the Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan, and (z) the Swing Line Lender shall not be under any obligation to make any Swing Line Loan if it shall determine (which determination shall be conclusive and

binding absent manifest error) that it has, or by such Credit Extension may have Fronting Exposure. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall be a Base Rate Loan. Immediately upon the making of a Swing Line Loan, each Revolving Credit Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Revolving Credit Lender's Applicable Percentage times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Swing Line Borrowing shall be made upon the Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by telephone. Each such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of \$100,000, and (ii) the requested borrowing date, which shall be a Business Day. Each such telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Promptly after receipt by the Swing Line Lender of any telephonic Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Revolving Credit Lender) prior to 2:00 p.m. on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article IV (in the case of any Credit Extension to be made on the Closing Date) or Section 4.02 (in the case of any Credit Extension to be made after the Closing Date), as applicable, is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender will, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrower.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Lender at any time in its sole discretion may request, on behalf of the Borrower (which hereby irrevocably authorizes the Swing Line Lender to so request on its behalf), that each Revolving Credit Lender make a Base Rate Loan in an amount equal to such Lender's Applicable Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Revolving Credit Facility and the conditions set forth in Section 4.02. The Swing Line Lender shall furnish the Borrower with a copy of the applicable Committed Loan Notice promptly after delivering such notice to the Administrative Agent. Each Revolving Credit Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Committed Loan Notice available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the Swing Line Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Committed Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Revolving Credit Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Revolving Credit Borrowing in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Revolving Credit Lenders fund its risk participation in the relevant Swing Line Loan and each Revolving Credit Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Revolving Credit Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Credit Loan included in the relevant Revolving Credit Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Revolving Credit Lender's obligation to make Revolving Credit Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default or Event of Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Revolving Credit Lender's obligation to make Revolving Credit Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Revolving Credit Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Revolving Credit Lender its Applicable Percentage thereof in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Revolving Credit Lender shall pay to the Swing Line Lender its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until each Revolving Credit Lender funds its Base Rate Loan or risk participation pursuant to this Section 2.04 to refinance such Revolving Credit Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

2.05 Prepayments.

(a) Optional Prepayments of Term Loans and Revolving Credit Loans. The Borrower may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay Term Loans or Revolving Credit Loans in whole or in part without premium or penalty; provided that (A) such notice must be received by the Administrative Agent not later than 11:00 a.m. (1) three Business Days prior to any date of prepayment of Eurodollar Rate Loans and (2) on the date of prepayment of Base Rate Loans; (B) any prepayment of Eurodollar Rate Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof; and (C) any prepayment of Base Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if Eurodollar Rate Loans are to be prepaid, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's ratable portion of such prepayment (based on such Lender's Applicable Percentage in respect of the relevant Facility). If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Each prepayment of the outstanding Term Loans pursuant to this Section 2.05(a) shall be applied to the principal repayment installments thereof first, to the next upcoming quarterly principal repayment installment due under Section 2.07(c) and then, on a pro-rata basis to all remaining principal repayments installments under Section 2.07(c), and each such prepayment shall be paid to the Term Lenders in accordance with their respective Applicable Percentages of the Term Facility. Each prepayment of the outstanding Revolving Credit Loans pursuant to this Section 2.05(a) shall, subject to Section 2.15, be paid to the Revolving Credit Lenders in accordance with their respective Applicable Revolving Credit Percentages.

(b) Optional Prepayments of Swing Line Loans. The Borrower may, upon notice to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of \$100,000 or, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(c) Mandatory Prepayments.

(i) Revolving Credit Loans.

(A) If for any reason the Total Revolving Credit Outstandings at any time exceed the Revolving Credit Facility at such time, the Borrower shall immediately prepay Revolving Credit Loans, Swing Line Loans and L/C Borrowings and/or Cash Collateralize the L/C Obligations (other than the L/C Borrowings) in an aggregate amount equal to such excess; provided, however, that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(c)(i) unless

after the prepayment in full of the Revolving Credit Loans and Swing Line Loans the Total Revolving Credit Outstandings exceed the Revolving Credit Facility then in effect.

(B) Prepayments of the Revolving Credit Facility made pursuant to this Section 2.05(c)(i), first, shall be applied ratably to the L/C Borrowings and the Swing Line Loans, second, shall be applied ratably to the outstanding Revolving Credit Loans, and, third, shall be used to Cash Collateralize the remaining L/C Obligations. Upon the drawing of any Letter of Credit that has been Cash Collateralized, the funds held as Cash Collateral shall be applied (without any further action by or notice to or from the Borrower or any other Loan Party) to reimburse the L/C Issuer or the Revolving Credit Lenders, as applicable.

(ii) Term Loans.

(A) If any Loan Party or any of its Subsidiaries Disposes of any property (other than any Disposition of property permitted by (x) Section 7.05(b) and (y) Section 7.05(f) and (g) solely to the extent, in the case of this clause (y), that the Borrower shall have demonstrated in a manner reasonably satisfactory to the Administrative Agent that the proceeds of such Disposition shall be applied to directly reimburse future research and development expenses related to the IP Rights licensed under such Sections (and pending such application to such research and development expenses, all such proceeds shall be maintained in a Liquidity Account) which results in the realization by such Person of Net Cash Proceeds, the Borrower shall prepay an aggregate principal amount of Term Loans equal to 100% of such Net Cash Proceeds promptly following receipt thereof (but in any event, no later than two (2) Business Days after receipt thereof) by such Person (such prepayments to be applied as set forth in clause (E) below).

(B) Upon the sale or issuance by any Loan Party or any of its Subsidiaries of any of its Equity Interests (other than any sales or issuances of Equity Interests (i) to another Loan Party, (ii) as consideration for a Permitted Acquisition (other than the Target Acquisition), or (iii) as part of any stock option or similar plan where such Equity Interests are issued as compensation), the Borrower shall prepay an aggregate principal amount of Term Loans equal to 100% of all Net Cash Proceeds received therefrom promptly following receipt thereof (but in any event, no later than two (2) Business Days after receipt thereof) by such Loan Party or such Subsidiary (such prepayments to be applied as set forth in clause (E) below).

(C) Upon the incurrence or issuance by any Loan Party or any of its Subsidiaries of any Indebtedness (other than Indebtedness expressly permitted to be incurred or issued pursuant to Section 7.03(a) through (g) and (j), (k), (l) and (m)), the Borrower shall prepay an aggregate principal amount of Term Loans equal to 100% of all Net Cash Proceeds received therefrom promptly following receipt thereof (but in any event, no later than two (2) Business Days after receipt thereof) by such Loan Party or such Subsidiary (such prepayments to be applied as set forth in clause (E) below).

(D) Upon any Extraordinary Receipt received by or paid to or for the account of any Loan Party or any of its Subsidiaries in an aggregate amount exceeding \$2,500,000 in any fiscal year of the Borrower, and not otherwise included in clause (A), (B) or (C) of this Section 2.05(c)(ii), the Borrower shall prepay an aggregate principal amount of Term Loans equal to 100% of all Net Cash Proceeds received therefrom promptly following receipt thereof (but in any event, no later than two (2) Business Days after receipt thereof) by such Loan Party or such Subsidiary (such prepayments to be applied as set forth in clause (E) below).

(E) Each prepayment of Term Loans pursuant to the foregoing provisions of this Section 2.05(c)(ii) shall be applied to the principal repayment installments of the Term Facility on a pro-rata basis and shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05.

(F) Notwithstanding anything contained in this Section 2.05 to the contrary, so long as no Default or Event of Default shall have occurred and be continuing, the Borrower shall not be required to prepay the Term Loan with any proceeds of an Extraordinary Receipt constituting proceeds of casualty or property insurance to the extent the Borrower or any applicable Subsidiary elects, in its sole discretion, to reinvest all or any portion of such Extraordinary Receipt in the business of the Borrower or such Subsidiary, as applicable, within one-hundred twenty (120) days after the receipt of such Extraordinary Receipt; provided that (x) the aggregate amount of all Extraordinary Receipts withheld for reinvestment pursuant to this clause (F) of this Section 2.05(c)(ii) shall not exceed \$5,000,000 in the aggregate during the term of this Agreement and (y) if all or any portion of such Extraordinary Receipt shall have not been reinvested by the end of such one-hundred twenty (120) day period as contemplated above, then any portion of such Extraordinary Receipt not so reinvested shall be promptly applied to prepay the Term Loan (such prepayments to be applied as set forth in clause (E) above).

For the avoidance of doubt, the Borrower shall have no obligation to make a principal repayment hereunder in an amount in excess of the aggregate outstanding principal amount of the Term Loans.

2.06 Termination or Reduction of Commitments.

(a) The Borrower may, upon written notice to the Administrative Agent, terminate the Revolving Credit Facility, the Letter of Credit Sublimit or the Swing Line Sublimit, or from time to time permanently reduce the Revolving Credit Facility, the Letter of Credit Sublimit or the Swing Line Sublimit; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. five Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of \$10,000,000 or any whole multiple of \$1,000,000 in excess thereof and (iii) the Borrower shall not terminate or reduce (A) the Revolving Credit Facility if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Revolving Credit Outstandings would exceed the Revolving Credit Facility, (B) the Letter of Credit Sublimit if, after giving effect thereto, the Outstanding Amount of L/C Obligations not fully Cash Collateralized hereunder would exceed the Letter of Credit Sublimit, or (C) the Swing Line Sublimit if, after giving effect thereto and to any concurrent prepayments hereunder, the Outstanding Amount of Swing Line Loans would exceed the Letter of Credit Sublimit. If after giving effect to any reduction or termination of Revolving Credit Commitments under this Section 2.06, the Letter of Credit Sublimit or the Swing Line Sublimit exceeds the Revolving Credit Facility at such time, the Letter of Credit Sublimit or the Swing Line Sublimit, as the case may be, shall be automatically reduced by the amount of such excess.

(b) During the Term Loan Availability Period, the Borrower may, upon written notice to the Administrative Agent, from time to time terminate (in whole or in part) the unused portion of the aggregate Term Commitments; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. five Business Days prior to the date of termination or reduction and (ii) any such partial reduction shall be in an aggregate amount of \$10,000,000 or any whole multiple of \$1,000,000 in excess thereof. In addition, the aggregate Term Commitments shall be automatically and permanently reduced to zero on the last day of the Term Loan Availability Period.

(c) The Administrative Agent will promptly notify the Appropriate Lenders of any termination or reduction of the Letter of Credit Sublimit, Swing Line Sublimit or the Revolving Credit Commitment under this Section 2.06. Upon any reduction of the Revolving Credit Commitments, the Revolving Credit Commitment of each Revolving Credit Lender shall be reduced by such Lender's Applicable Revolving Credit Percentage of such reduction amount. All fees in respect of the Revolving Credit Facility accrued until the effective date of any termination of the Revolving Credit Facility shall be paid on the effective date of such termination.

(d) The Administrative Agent will promptly notify the Appropriate Lenders of any termination or reduction of the unused portion of the aggregate Term Commitments under the first sentence of Section 2.06(b). Upon any reduction of the unused portion of the aggregate Term Commitments, the Term Commitment of each Term Lender shall be reduced by such Lender's Applicable Percentage of such reduction amount. All fees in respect of the Term Facility accrued until the effective date of any termination of the Term Facility shall be paid on the effective date of such termination.

(e) In addition to the foregoing, at any time during the Term Loan Availability Period, but prior to the date of the Term Borrowing, upon the occurrence of any events described in Section 2.05(c)(ii)(A) through (D), the Term Commitments of the Term Lenders shall be automatically and permanently reduced on a dollar-for-dollar basis by an amount equal to 100% of the Net Cash Proceeds received by any Loan Party or any Subsidiary as a result of any such event described in Section 2.05(c)(ii)(A) through (D), immediately upon receipt of such Net Cash Proceeds by such Loan Party or such Subsidiary, except for Net Cash Proceeds in respect of Extraordinary Receipts constituting proceeds of casualty or property insurance that the Borrower (or any applicable Subsidiary) has elected to reinvest pursuant to, and subject to the limitations of, Section 2.05(c)(ii)(E). Upon any reduction of the unused portion of the aggregate Term Commitments, the Term Commitment of each Term Lender shall be irrevocably reduced by such Lender's Applicable Percentage of such reduction amount.

2.07 Repayment of Loans.

(a) Revolving Credit Loans. The Borrower shall repay to the Revolving Credit Lenders on the Maturity Date for the Revolving Credit Facility the aggregate principal amount of all Revolving Credit Loans outstanding on such date.

(b) Swing Line Loans. The Borrower shall repay each Swing Line Loan on the earlier to occur of (i) the date ten (10) Business Days after such Loan is made and (ii) the Maturity Date for the Revolving Credit Facility.

(c) Term Loans. The Borrower shall repay to the Term Lenders the aggregate principal amount of all Term Loans outstanding on the following dates in the respective amounts set forth opposite such dates (which amounts shall be reduced as a result of the application of prepayments in accordance with the order of priority set forth in Section 2.05(a)):

Date

Amount

March 31, 2014	\$1,500,000
June 30, 2014	\$1,500,000
September 30, 2014	\$1,500,000
December 31, 2014	\$1,500,000
March 31, 2015	\$1,500,000
June 30, 2015	\$1,500,000
Maturity Date for the Term Facility	Entire aggregate principal amount of all Term Loans outstanding

provided, however, that (x) notwithstanding the foregoing, if the Target Acquisition Closing Date occurs after January 31, 2014, the date of the initial principal repayment installment shall be June 30, 2014 and (y) the final principal repayment installment of the Term Loans shall be repaid on the Maturity Date for the Term Facility and in any event shall be in an amount equal to the aggregate principal amount of all Term Loans outstanding on such date.

2.08 Interest.

(a) Subject to the provisions of subsection (b) below, (i) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurodollar Rate for such Interest Period plus the Applicable Rate; (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate; and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate.

(b) (i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) payable by the Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees. In addition to certain fees described in subsections (h) and (i) of Section 2.03:

(a) **Commitment Fee.** The Borrower shall pay to the Administrative Agent for the account of each Revolving Credit Lender in accordance with its Applicable Percentage, a commitment fee equal to the Applicable Rate times the actual daily amount by which the Revolving Credit Facility exceeds the sum of (i) the Outstanding Amount of Revolving Credit Loans and (ii) the Outstanding Amount of L/C Obligations, subject to adjustment as provided in Section 2.15. For the avoidance of doubt, the Outstanding Amount of Swing Line Loans shall not be counted towards or considered usage of the Revolving Credit Facility for purposes of determining the commitment fee. The commitment fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the last day of the Availability Period for the Revolving Credit Facility. The commitment fee shall be calculated quarterly in arrears, and if there is any change in the Applicable Rate during any quarter, the actual daily amount shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect.

(b) Other Fees.

(i) The Borrower shall pay to the Arrangers and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(ii) The Borrower shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate.

(a) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurodollar Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If, as a result of any restatement of or other adjustment to the financial statements of the Borrower or for any other reason, the Borrower or the Lenders determine that (i) the Consolidated Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Consolidated Leverage Ratio would have resulted in higher pricing for such period, the Borrower shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders or the L/C Issuer, as the case may be, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent, any Lender or the L/C Issuer), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent, any Lender or the L/C Issuer, as the case may be, under Section 2.03(c)(iii), 2.03(h) or 2.08(b) or under Article VIII. The Borrower's obligations under this paragraph shall survive the termination of the Aggregate Commitments and the repayment of all other Obligations hereunder.

2.11 Evidence of Debt

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a) above, each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 Payments Generally; Administrative Agent's Clawback.

(a) **General.** All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) **Funding by Lenders; Presumption by Administrative Agent.** Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurodollar Rate Loans (or, in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for

each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

- (ii) **Payments by Borrower; Presumptions by Administrative Agent.** Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuer hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Appropriate Lenders or the L/C Issuer, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Appropriate Lenders or the L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) **Failure to Satisfy Conditions Precedent.** If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) **Obligations of Lenders Several.** The obligations of the Lenders hereunder to make Term Loans and Revolving Credit Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to Section 10.04(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 10.04(c).

(e) **Funding Source.** Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(f) **Insufficient Funds.** If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, L/C Borrowings, interest and fees then due hereunder, such funds shall be applied (i) first, toward payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, toward payment of principal and L/C Borrowings then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and L/C Borrowings then due to such parties.

2.13 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of (a) Obligations due and payable to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations due and payable to such Lender at such time to (ii) the aggregate amount of the Obligations due and payable to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of the Obligations due and payable to all Lenders hereunder and under the other Loan Documents at such time obtained by all the Lenders at such time or (b) Obligations owing (but not due and payable) to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (according to the proportion of (i) the amount of such Obligations owing (but not due and payable) to such Lender at such time to (ii) the aggregate amount of the Obligations owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time) of payment on account of the Obligations owing (but not due and payable) to all Lenders hereunder and under the other Loan Parties at such time obtained by all of the Lenders at such time then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and subparticipations in L/C Obligations and Swing Line Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of Obligations then due and payable to the Lenders or owing (but not due and payable) to the Lenders, as the case may be, provided that:

- (i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and
- (ii) the provisions of this Section shall not be construed to apply to (x) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (y) the application of Cash Collateral provided for in Section 2.14, or (z) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than an assignment to the Borrower or any Affiliate thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.14 Cash Collateral.

(a) **Certain Credit Support Events.** If (i) the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, (ii) as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding (including as a result of any Letter of Credit issued in accordance with Section 2.03(a)(ii)(B)), (iii) the Borrower shall be required to provide Cash Collateral pursuant to Section 8.02(c), or (iv) there shall exist a Defaulting Lender, the Borrower shall immediately (in the case of clause (iii) above) or within one (1) Business Day (in all other cases) following any request by the Administrative Agent or the L/C Issuer, provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iv) above, after giving effect to Section 2.15(a)(iv)) and any Cash Collateral provided by the Defaulting Lender).

(b) **Grant of Security Interest.** The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuer and the Lenders (including the Swing Line Lender), and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to Section 2.14(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent or the L/C Issuer as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, deposit accounts at Bank of America. The Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

(c) **Application.** Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.14 or Sections 2.03, 2.04, 2.05, 2.15 or 8.02 in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Obligations, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) **Release.** Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender (or, as appropriate, its assignee following compliance with Section 10.06(b)(vi))) or (ii) the determination by the Administrative Agent and the L/C Issuer that there exists excess Cash Collateral (which determination shall be made in good faith); provided, however, (x) any such release shall be without prejudice to, and any disbursement or other transfer of Cash Collateral shall be and remain subject to, any other Lien conferred under the Loan Documents and the other applicable provisions of the Loan Documents, and (y) the Person providing Cash Collateral and the L/C Issuer, may mutually agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.15 Defaulting Lenders.

(a) **Adjustments.** Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

- (i) **Waivers and Amendments.** Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders", "Required Revolving Lenders", or "Required Term Lenders", as applicable, and Section 10.01.

- (ii) **Defaulting Lender Waterfall.** Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise, or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.08), shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender

to the Administrative Agent hereunder; *second*, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the L/C Issuer or Swing Line Lender hereunder; *third*, to Cash Collateralize the L/C Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.14; *fourth*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.14; *sixth*, to the payment of any amounts owing to the Lenders, the L/C Issuer or Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuer or the Swing Line Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Line Loans are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.15(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.15(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any fee payable under Section 2.09(a) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.14.

(C) With respect to any fee payable under Section 2.09(a) or any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations or Swing Line Loans that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the L/C Issuer and Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's or Swing Line Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Revolving Credit Commitment) but only to the extent that (x) the conditions set forth in Section 4.02 are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Credit Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swing Line Loans. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lenders' Fronting Exposure and (y) second, Cash Collateralize the L/C Issuers' Fronting Exposure in accordance with the procedures set forth in Section 2.14.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, Swing Line Lender and the L/C Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.15(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes. Any and all payments by or on account of any obligation of any Loan Party hereunder or under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the applicable Withholding Agent) require the deduction or withholding of any Tax from any such payment by the Withholding Agent, then (i) the applicable Withholding Agent shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below, (ii) the applicable Withholding Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with applicable Laws, and (iii) to the extent that the withholding or deduction is made on account of Indemnified Taxes, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such withholding or deductions have been made (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

(b) Payment of Other Taxes by the Loan Parties. Without limiting the provisions of subsection (a) above, the Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnifications.

(i) Each of the Loan Parties shall, and do hereby jointly and severally indemnify each Recipient, and shall make payment in respect thereof within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.01) imposed on, payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender or the L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error. Each of the Loan Parties shall, and do hereby, jointly and severally, indemnify the Administrative Agent, and shall make payment in respect thereof within ten (10) days after demand therefor, for any amount which a Lender or the L/C Issuer for any reason fails to pay indefeasibly to the Administrative Agent as required pursuant to Section 3.01(c)(ii) below.

(ii) Each Lender and the L/C Issuer shall, and does hereby, severally indemnify, and shall make payment in respect thereof within ten (10) days after demand therefor, (x) the Administrative Agent against any Indemnified Taxes attributable to such Lender or the L/C Issuer (but only to the extent that, any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of any Loan Party to do so), (y) the Administrative Agent and, the Loan Parties, as applicable, against any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.06(d) relating to the maintenance of a Participant Register and (z) the Administrative Agent and, the Loan Parties, as applicable, against any Excluded Taxes attributable to such Lender or the L/C Issuer, in each case, that are payable or paid by the Administrative Agent or, the Loan Parties in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender and the L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or the L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. Upon request by the Borrower or the Administrative Agent, as the case may be, after any payment of Taxes by any Loan Party or by the Administrative Agent to a Governmental Authority as provided in this Section 3.01, the Borrower shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment, or such other evidence of payment as is within the possession of, or obtainable by, and reasonably satisfactory to, the Borrower or the Administrative Agent, as the case may be.

(e) **Status of Lenders; Tax Documentation.**

- (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 3.01(e)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.
- (ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,
- (A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;
- (B) any Foreign Lender shall, to the extent that it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent, whichever of the following is applicable:
- (I) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;
- (II) executed originals of IRS Form W-8ECI;
- (III) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit F-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN; or
- (IV) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of each such direct and indirect partner.
- (C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made.
- (D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.
- (iii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) **Treatment of Certain Refunds.** Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or the L/C Issuer, or have any obligation to pay to any Lender or the L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or the L/C Issuer, as the case may be. The Administrative Agent and each Lender, if reasonably requested by the Administrative Borrower, shall use commercially reasonable efforts to cooperate and participate, at Borrower's expense, in claiming a refund of any Taxes as to which any Borrower or any Loan Party has paid additional amounts or indemnified the Administrative Agent, or such Lender hereunder; provided, that such cooperation and participation shall not be required if in the Administrative Agent's or such Lender's sole judgment, such cooperation or participation would (x) cause any undue interference with such Person's business, (y) subject such Person to any unreimbursed cost or expense or would prejudice the legal or commercial position of such Person or (z) require a Lender or the Administrative Agent to make available its Tax returns (or any other information it deems confidential) to any Loan Party or any other Person. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.01, it shall pay to such Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by such Loan Party under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that such Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to the such Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to any Loan Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This subsection shall not be construed to require any Recipient to make available its tax returns (or any other information relating to its taxes that it deems confidential) to any Loan Party or any other Person.

(g) **Survival.** Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or the L/C Issuer, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

3.02 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its Lending Office to make, maintain or fund Eurodollar Rate Loans, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, (i) any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans shall be suspended, and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurodollar Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Eurodollar Rate, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

3.03 Inability to Determine Rates. If in connection with any request for a Eurodollar Rate Loan or a conversion to or continuation thereof, (a) the Administrative Agent determines that (i) Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and Interest Period of such Eurodollar Rate Loan, or (ii) adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan or in connection with an existing or proposed Base Rate Loan (in each case with respect to clause (a)(i) above, the "Impacted Loans"), or (b) the Administrative Agent or the affected Lenders determine that for any reason the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Eurodollar Rate Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended (to the extent of the affected Eurodollar Rate Loans or Interest Periods), and (y) in the event of a determination described in the preceding sentence with respect to the Eurodollar Rate component of the Base Rate, the utilization of the Eurodollar Rate component in determining the Base Rate shall be suspended, in each case until the Administrative Agent, upon the instruction of the affected Lenders, revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans (to the extent of the affected Eurodollar Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Committed Borrowing of Base Rate Loans in the amount specified therein.

Notwithstanding the foregoing, if the Administrative Agent has made the determination described in clause (a)(i) of this [Section 3.03](#), the Administrative Agent, in consultation with the Borrower and the affected Lenders, may establish an alternative interest rate for the Impacted Loans, in which case, such alternative rate of interest shall apply with respect to the Impacted Loans until (1) the Administrative Agent revokes the notice delivered with respect to the Impacted Loans under clause (a) of the first sentence of this [Section 3.03](#), (2) the Administrative Agent or the affected Lenders notify the Administrative Agent and the Borrower that such alternative interest rate does not adequately and fairly reflect the cost to such Lenders of funding the Impacted Loans, or (3) any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender or its applicable Lending Office to make, maintain or fund Loans whose interest is determined by reference to such alternative rate of interest or to determine or charge interest rates based upon such rate or any Governmental Authority has imposed material restrictions on the authority of such Lender to do any of the foregoing and provides the Administrative Agent and the Borrower written notice thereof.

3.04 Increased Costs; Reserves on Eurodollar Rate Loans.

(a) **Increased Costs Generally.** If any Change in Law shall:

- (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement contemplated by [Section 3.04\(e\)](#)) or the L/C Issuer;
- (ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in [clauses \(a\) through \(d\)](#) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or
- (iii) impose on any Lender or the L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan the interest on which is determined by reference to the Eurodollar Rate (or, in the case of clause (ii) above, any Loan), or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender or the L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or the L/C Issuer, the Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) **Capital Requirements.** If any Lender or the L/C Issuer determines that any Change in Law affecting such Lender or the L/C Issuer or any Lending Office of such Lender or such Lender's or the L/C Issuer's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the L/C Issuer's capital or on the capital of such Lender's or the L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Line Loans held by, such Lender, or the Letters of Credit issued by the L/C Issuer, to a level below that which such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the L/C Issuer's policies and the policies of such Lender's or the L/C Issuer's holding company with respect to capital adequacy or liquidity), then from time to time the Borrower will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company for any such reduction suffered.

(c) **Certificates for Reimbursement.** A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or the L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) **Delay in Requests.** Failure or delay on the part of any Lender or the L/C Issuer to demand compensation pursuant to the foregoing provisions of this [Section 3.04](#) shall not constitute a waiver of such Lender's or the L/C Issuer's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or the L/C Issuer pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than six months prior to the date that such Lender or the L/C Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

(e) **Reserves on Eurodollar Rate Loans.** The Borrower shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least 10 days' prior notice (with a copy to the Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice ten (10) days prior to the relevant Interest Payment Date, such additional interest shall be due and payable ten (10) days from receipt of such notice.

3.05 Compensation for Losses. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any actual loss, cost or expense incurred by it as a result of:

- (a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);
- (b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan on the date or in the amount notified by the Borrower; or
- (c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to [Section 10.13](#);

including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained, provided that the Borrower shall not be required to compensate a Lender pursuant to the foregoing provisions of this Section for any loss, cost or expense suffered more than six months prior to the date that such Lender notifies the Borrower of such loss, cost or expense and of such Lender's intention to claim compensation therefor. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this [Section 3.05](#), each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

3.06 Mitigation Obligations; Replacement of Lenders.

(a) **Designation of a Different Lending Office.** If any Lender requests compensation under [Section 3.04](#), or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender, the L/C Issuer, or any Governmental Authority for the account of any Lender or the L/C Issuer pursuant to [Section 3.01](#), or if any Lender gives a notice pursuant to [Section 3.02](#), then at the request of the Borrower such Lender or the L/C Issuer shall, as applicable, use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender or the L/C Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to [Section 3.01](#) or [3.04](#), as the case may be, in the future, or eliminate the need for the notice pursuant to [Section 3.02](#), as applicable, and (ii) in each case, would not subject such Lender or the L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or the L/C Issuer, as the case may be. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or the L/C Issuer in connection with any such designation or assignment.

(b) **Replacement of Lenders.** If any Lender requests compensation under [Section 3.04](#), or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to [Section 3.01](#) and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with [Section 3.06\(a\)](#), the Borrower may replace such Lender in accordance with [Section 10.13](#).

3.07 Survival. All of the Borrower's obligations under this [Article III](#) shall survive termination of the Aggregate Commitments, repayments of all other Obligations hereunder, and resignation of the Administrative Agent.

CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 Conditions of Initial Credit Extension. The obligation of the L/C Issuer and each Lender to make its initial Credit Extension hereunder is subject to satisfaction of the following conditions precedent, except to the extent such conditions are subject to the Post-Closing Agreement:

(a) The Administrative Agent's receipt of the following, each of which shall be originals or copies in .pdf format (or other electronic imaging format acceptable to the Administrative Agent, in each case, followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance reasonably satisfactory to the Administrative Agent and each of the Lenders:

- (i) executed counterparts of this Agreement, sufficient in number for distribution to the Administrative Agent, each Lender and the Borrower;
- (ii) executed counterparts of the Guaranty, sufficient in number for distribution to the Administrative Agent and the Borrower;
- (iii) a Note executed by the Borrower in favor of each Lender requesting a Note;
- (iv) executed counterparts of the Securities Pledge Agreement, sufficient in number for distribution to the Administrative Agent and the Borrower, together with certificates representing the Securities Collateral referred to therein accompanied by undated transfer powers executed in blank;
- (v) executed counterparts of the Security Agreement, sufficient in number for distribution to the Administrative Agent and the Borrowers, together with:
 - (A) instruments evidencing the Pledged Debt endorsed in blank;
 - (B) proper Financing Statements in form appropriate for filing under the Uniform Commercial Code of all jurisdictions that the Administrative Agent may deem necessary or desirable in order to perfect the Liens created under the Security Agreement, covering the Collateral described in the Security Agreement;
 - (C) completed requests for information, dated on or before the date of the initial Credit Extension, listing all effective financing statements filed in the jurisdictions referred to in clause (B) above that name any Loan Party as debtor, together with copies of such other financing statements;
 - (D) Deposit Account Control Agreements with respect to each Control Account that is a deposit account, duly executed by each of the parties thereto;
 - (E) Securities Account Control Agreements with respect to each Control Account that is a securities account, duly executed by each of the parties thereto;
 - (F) each Perfection Certificate delivered by a Loan Party (or the Loan Parties) in connection with the Security Agreement;
 - (G) evidence that the Borrower and the Guarantors shall have taken such action with respect to the BioThrax Contract under the Federal Assignment of Claims Act of 1940, 31 U.S.C. 3727, 41 U.S.C. 15, as the Administrative Agent shall reasonably request, such that all payments under the BioThrax Contract are validly assigned to the Administrative Agent, for the benefit of the Secured Parties; and
 - (H) evidence that all other action that the Administrative Agent may deem necessary or desirable in order to perfect the Liens created under the Security Agreement has been taken (including receipt of duly executed payoff letters and UCC-3 termination statements and, with respect to leasehold premises which constitute a chief executive office and with respect to leasehold premises or warehouses where material Collateral is located, landlords' and bailees' waiver and consent agreements);
- (vi) a Mortgage covering each Mortgaged Property, duly executed, acknowledged and delivered by the appropriate Loan Party in form suitable for filing or recording in all filing or recording offices that the Administrative Agent may deem necessary in order to create a valid first priority and subsisting Lien on the property described therein in favor of the Administrative Agent for the benefit of the Secured Parties, together with:
 - (A) evidence that all filing, documentary, stamp, intangible and recording taxes and fees have been paid; and
 - (B) each other Related Real Estate Document;
- (vii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party;
- (viii) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that each of the Loan Parties is validly existing, in good standing and qualified to engage in business in each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect;
- (ix) a customary opinion of Bingham McCutchen LLP, counsel to the Loan Parties, addressed to the Administrative Agent and each Lender, in form and substance reasonably satisfactory to the Administrative Agent and the Lenders, covering such matters relating to the Loan Documents and the transactions contemplated thereby as the Administrative Agent and the Lenders shall reasonably request;
- (x) executed counterparts of the Post-Closing Agreement, sufficient in number for distribution to the Administrative Agent and the Borrower;
- (xi) a certificate of a Responsible Officer of each Loan Party either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is a party, and such consents, licenses and approvals shall be in full force and effect, or (B) stating that no such consents, licenses or approvals are so required;
- (xii) a certificate signed by a Responsible Officer of the Borrower certifying (A) that the conditions specified in Sections 4.02(a) and (b) have been satisfied, (B) that there has been no event or circumstance since the date of the Audited Financial Statements that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect; and (C) a calculation of Liquidity and the Consolidated Leverage Ratio as of the last day of the fiscal quarter of the Borrower most recently ended prior to the Closing Date (giving pro forma effect to the transactions contemplated under this Agreement, the Credit Extensions on the Closing Date, and the repayment (or, at the election of the Administrative Agent, assignment to the Administrative Agent for the benefit of the Lenders) of Specified Indebtedness on the Closing Date);
- (xiii) a certificate of the chief financial officer of the Borrower attesting to the Solvency of the Borrower, individually, and the Borrower and its Subsidiaries, on a consolidated basis, after giving effect to the transactions contemplated under this Agreement;
- (xiv) evidence that all insurance (including, without limitation, any required flood insurance) required to be maintained pursuant to the Loan Documents has been obtained and is in effect, together with the certificates of insurance, naming the Administrative Agent, on behalf of the Lenders, as an additional insured or lender's loss payee, as the case may be, under all insurance policies maintained with respect to the assets and properties of the Loan Parties that constitutes Collateral and (y) the Lenders shall be reasonably satisfied with the amount, types and terms and conditions of all such insurance maintained by the Loan Parties;

(xv) evidence that all Specified Indebtedness of the Loan Parties has been or concurrently with the Closing Date is being terminated and repaid (or, at the election of the Administrative Agent, assigned to the Administrative Agent for the benefit of the Lenders) and all Liens securing any such Specified Indebtedness have been or concurrently with the Closing Date are being released (or, at the election of the Administrative Agent, assigned to the Administrative Agent for the benefit of the Lenders); and

(xvi) such other assurances, certificates, documents, consents or opinions as the Administrative Agent, the L/C Issuer, the Swing Line Lender or the Required Lenders reasonably may require.

(b) (i) All fees required to be paid to the Administrative Agent on or before the Closing Date shall have been paid and (ii) all fees required to be paid to the Arrangers and the Lenders on or before the Closing Date shall have been paid.

(c) Unless waived by the Administrative Agent, the Borrower shall have paid the reasonable fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced on a date at least 2 Business Days prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent).

(d) The Administrative Agent and the Lenders shall have received, and shall be reasonably satisfied with (x) the pro forma consolidated financial statements as to the Borrower and its Subsidiaries prepared in connection with the transactions (including the Target Acquisition) contemplated hereby and (y) a Compliance Certificate (the "Closing Date Compliance Certificate"), demonstrating compliance on a pro forma basis, after giving effect to the transactions contemplated on the Closing Date, with each financial covenant set forth in Section 7.11 as of the end of the most recently ended fiscal quarter prior to the Closing Date.

(e) [Reserved].

(f) [Reserved].

(g) (i) There shall be no actions, suits, investigations or proceedings pending at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any Subsidiary of any Loan Party or against any of their properties or revenues that either individually or in the aggregate, if determined adversely, would reasonably be expected to have a Material Adverse Effect and (ii) no Loan Party nor any Subsidiary of a Loan Party shall have received any notice of default under any Material Contract.

(h) The Administrative Agent and the Lenders shall have completed a due diligence investigation of the Target Acquisition and the transactions contemplated thereby (including, without limitation, a review of a draft quality of earnings report prepared by Ernst & Young with respect to Target and its Subsidiaries).

(i) The Administrative Agent and the Lenders shall have received a true and correct copy of, and shall be reasonably satisfied with the terms and conditions of, a final form of the Target Acquisition Agreement delivered to the Administrative Agent. Without limiting the generality of the provisions of the last paragraph of Section 9.03, (i) for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

4.02 Conditions to all Credit Extensions. The obligation of each Lender to honor any Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Loans to the other Type, or a continuation of Eurodollar Rate Loans) is subject to the following conditions precedent:

(a) The representations and warranties of the Borrower and each other Loan Party contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith (limited to, in the case of the Target Acquisition Credit Extensions on the Target Acquisition Closing Date, the Specified Representations), shall be true and correct in all material respects (except that (i) such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof and (ii) such materiality qualifier shall not be applicable to the Specified Representations made on the Target Acquisition Closing Date in connection with the Target Acquisition Credit Extensions) on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date (except that (i) such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof and (ii) such materiality qualifier shall not be applicable to the Specified Representations made on the Target Acquisition Closing Date in connection with the Target Acquisition Credit Extensions), and except that for purposes of this Section 4.02, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01.

(b) No Default or Event of Default shall exist (limited to, in the case of the Target Acquisition Credit Extensions on the Target Acquisition Closing Date, Events of Default consisting of the Specified Defaults), or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Administrative Agent and, if applicable, the L/C Issuer or the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof; provided that in connection with any Request for Credit Extension provided in connection with the Target Acquisition Credit Extension on the Target Acquisition Closing Date, any statements relating to representations and warranties and Defaults or Events of Default shall conform to Sections 4.02(a) and (b) above.

(d) Solely in the case of Target Acquisition Credit Extensions on the Target Acquisition Closing Date, the Target Acquisition shall be permitted under Section 7.02(h).

Each Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Loans to the other Type or a continuation of Eurodollar Rate Loans) submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a), (b) and, if applicable, (d) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The Borrower and each other Loan Party represents and warrants to the Administrative Agent and the Lenders that:

5.01 Existence, Qualification and Power. Each Loan Party and each of its Subsidiaries (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party and consummate the transactions contemplated thereby, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

5.02 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is or is to be a party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) result in the imposition or the creation of any Lien (other than any Liens permitted pursuant to the terms of this Agreement) on any asset of any Loan Party or any Subsidiary of a Loan Party, (c) conflict with or result in any breach or contravention, in any material respect, of or require any material payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law in any material respect.

5.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with (a) the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, or for the consummation, in any material respect, of the transactions contemplated hereby or thereby (except for notices or similar actions that may be required in connection with enforcement of any security interest or mortgage under applicable Law), (b) the grant by any Loan Party of the Liens granted by it pursuant to the Collateral Documents, (c) the perfection or maintenance, in all material respects, of the Liens created under the Collateral Documents (including the first priority nature thereof) (other than the filing of financing statements, registration of mortgages and delivery of any possessory Collateral as contemplated under the Loan Documents and which filings, registrations and deliveries have either (x) been made on or prior to the Closing Date or (y) are being (or, will be) made in accordance with the terms of the Loan Documents) or (d) the exercise, in all material respects, by the Administrative Agent or any Lender of its rights under the Loan Documents or the remedies in respect of the Collateral pursuant to the Collateral Documents (except for notices or similar actions that may be required in connection with enforcement of any security interest or mortgage under applicable Law). All applicable waiting periods in connection with the transactions contemplated by the Loan Documents, if any, have expired without any action having been taken by any Governmental Authority restraining, preventing or imposing materially adverse conditions thereon or the rights of the Loan Parties or their Subsidiaries freely to transfer or otherwise dispose of, or to create any Lien on, any properties now owned or hereafter acquired by any of them.

5.04 Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principals of equity.

5.05 Financial Statements; No Material Adverse Effect.

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Borrower and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness. Schedule 5.05 sets forth all material indebtedness and other liabilities, direct or contingent, of the Borrower and its consolidated Subsidiaries not included in such financial statements, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited consolidated balance sheets of the Borrower and its Subsidiaries dated March 31, 2013 and June 30, 2013, and the related consolidated statements of income or operations, shareholders' equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or would reasonably be expected to have a Material Adverse Effect.

(d) The consolidated forecasted balance sheet and statements of income and cash flows of the Borrower and its Subsidiaries, delivered pursuant to Section 6.01(c) were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair in light of the conditions known to the Borrower to exist at the time of delivery of such forecasts, and represented, at the time of delivery, the Borrower's good faith estimate of its future financial condition and performance.

5.06 Litigation. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Borrower, threatened in writing, at law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any of its Subsidiaries or against any of their properties or revenues that (a) purport to affect or pertain to this Agreement, any other Loan Document, or the consummation of the transactions contemplated hereby or thereby, or (b) either individually or in the aggregate, if determined adversely, would reasonably be expected to have a Material Adverse Effect.

5.07 No Default. No Default or Event of Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

5.08 Ownership of Property; Liens; Investments.

(a) Each Loan Party and each of its Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Notwithstanding the foregoing or any other provision or representation contained in the Loan Documents to the contrary, the parties hereto acknowledge and agree that certain assets and property located on, and improvements to, certain real property necessary or used in the ordinary conduct of the business of the Borrower and its Subsidiaries has been provided by certain Governmental Authorities of the United States (such assets and other property, "Government Furnished Property") in connection with the BioThrax Contract and other Contractual Obligations of such Loan Parties and/or Subsidiaries with such Governmental Authorities. In some instances, such Governmental Authorities of the United States have and shall continue to retain an ownership interest in such Government Furnished Property. The Borrower and each other Loan Party represents and warrants to the Administrative Agent and the Lenders that such retained ownership by the Governmental Authorities of the United States in such Government Furnished Property does not in any case materially detract from the value of the applicable Mortgaged Property or materially interfere with the ordinary conduct of the business of the applicable Loan Party or Subsidiary of a Loan Party thereon.

(b) Schedule 5.08(b) sets forth, as of the Closing Date, a complete and accurate list of all Liens (other than Liens permitted under Sections 7.02(a) and (c) through (n)) on the property or assets of each Loan Party and each of its Subsidiaries, showing as of the date hereof the lienholder thereof and the property or assets of such Loan Party or such Subsidiary subject thereto. The property of each Loan Party and each of its Subsidiaries is subject to no Liens, other than Liens set forth on Schedule 5.08(b), and as otherwise permitted by Section 7.01.

(c) Schedule 5.08(c) (as the same may be updated from time to time pursuant to Section 6.02(l)), sets forth a complete and accurate list of all real property owned by each Loan Party and each of its Subsidiaries, showing as of the date hereof (or such later date as such Schedule is updated (or required to be updated) pursuant to Section 6.02(l)) the street address, county or other relevant jurisdiction, state, record owner and book and estimated fair value thereof. Each Loan Party and each of its Subsidiaries has good, marketable and insurable fee simple title to the real property owned by such Loan Party or such Subsidiary, free and clear of all Liens, other than Liens created or permitted by the Loan Documents.

(d) Schedule 5.08(d) (as the same may be updated from time to time pursuant to Section 6.02(l)) sets forth a complete and accurate list of all Investments (other than Investments permitted under Sections 7.02(a) through (e) and (g) through (j)) held by any Loan Party or any Subsidiary of a Loan Party on the date hereof (or such later date as such Schedule is updated (or required to be updated) pursuant to Section 6.02(l)), showing as of the date hereof the amount, obligor or issuer and maturity, if any, thereof.

5.09 Environmental Compliance.

(a) The Loan Parties and their respective Subsidiaries conduct in the ordinary course of business a review of the effect of existing Environmental Laws and claims alleging potential liability or responsibility for violation of any Environmental Law on their respective businesses, operations and properties, and as a result thereof the Borrower has reasonably concluded that such Environmental Laws and claims could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Except as otherwise set forth in Schedule 5.09, to the best knowledge of the Loan Parties, none of the properties currently or formerly owned or operated by any Loan Party or any of its Subsidiaries is listed or proposed for listing on the NPL or on the CERCLIS or any analogous foreign, state or local list or is adjacent to any such property; there are no and, to the best knowledge of the Loan Parties, never have been any underground or above-ground storage tanks or any surface impoundments, septic tanks, pits, sumps or lagoons in which Hazardous Materials are being or have been treated, stored or disposed on any property currently owned or operated by any Loan Party or any of its Subsidiaries or, to the best of the knowledge of the Loan Parties, on any property formerly owned or operated by any Loan Party or any of its Subsidiaries; to the best knowledge of the Loan Parties, there is no asbestos or asbestos-containing material on any property currently owned or operated by any Loan Party or any of its Subsidiaries; and Hazardous Materials have not been released, discharged or disposed of on any property currently or, to the best knowledge of the Loan Parties, formerly owned or operated by any Loan Party or any of its Subsidiaries.

(c) Except as otherwise set forth on Schedule 5.09, neither any Loan Party nor any of its Subsidiaries is undertaking, and has not completed, either individually or together with other potentially responsible parties, any investigation or assessment or remedial or response action resulting from any actual or threatened release, discharge or disposal of Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the order of any Governmental Authority or the requirements of any Environmental Law; and all Hazardous Materials generated, used, treated, handled or stored at, or transported to or from, any property currently or, to the best knowledge of the Loan Parties, formerly owned or operated by any Loan Party or any of its Subsidiaries have been disposed of in a manner not reasonably expected to result in material liability to any Loan Party or any of its Subsidiaries.

5.10 Insurance. The properties of the Borrower and its Subsidiaries are insured with companies having an A.M. Best Rating of at least A- not Affiliates of the Borrower, in such amounts, with such deductibles and covering such risks as are necessary to ensure that Uninsured Liabilities of the Borrower and/or any Subsidiary are not reasonably likely to result in a Material Adverse Effect. As to all improved real property constituting collateral security for the Obligations, (i) the Administrative Agent has received (x) such flood hazard determination forms, notices and confirmations thereof, and effective flood hazard insurance policies as are described in Section 4.01 with respect to real property collateral at Closing, (ii) all flood hazard insurance policies required hereunder have been obtained and remain in full force and effect, and the premiums thereon have been paid in full, and (iii) except as the Borrower has previously given written notice thereof to the Administrative Agent, there has been no redesignation of any property into or out of special flood hazard area.

5.11 Taxes. The Borrower and its Subsidiaries have filed all Federal, and all material state and other tax returns and reports required to be filed, and have paid all Federal, and all material state and other Taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed Tax assessment against the Borrower or any Subsidiary that would, if made, have a Material Adverse Effect. Neither any Loan Party nor any Subsidiary thereof is party to any Tax sharing agreement.

5.12 ERISA Compliance.

(a) Each Plan is in compliance with the applicable provisions of ERISA, the Code and other Federal or state laws, except where any failure to comply would not reasonably be expected to have a Material Adverse Effect. Each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Code. To the best knowledge of the Borrower, nothing has occurred that would prevent or cause the loss of, such tax-qualified status.

(b) There are no pending or, to the best knowledge of the Borrower, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred, and neither the Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) the Borrower and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is 60% or higher and neither the Borrower nor any ERISA Affiliate knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage for any such plan to drop below 60% as of the most recent valuation date; (iv) neither the Borrower nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no premium payments which have become due that are unpaid; (v) neither the Borrower nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; and (vi) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

(d) With respect to each scheme or arrangement mandated by a government other than the United States (a "Foreign Government Scheme or Arrangement") and with respect to each employee benefit plan maintained or contributed to by any Loan Party or any Subsidiary of any Loan Party that is not subject to United States law (a "Foreign Plan");

- (i) any employer and employee contributions required by law or by the terms of any Foreign Government Scheme or Arrangement or any Foreign Plan have been made, or, if applicable, accrued, in accordance with normal accounting practices;
- (ii) the fair market value of the assets of each funded Foreign Plan, the liability of each insurer for any Foreign Plan funded through insurance or the book reserve established for any Foreign Plan, together with any accrued contributions, is sufficient to procure or provide for the accrued benefit obligations, as of the date hereof, with respect to all current and former participants in such Foreign Plan according to the actuarial assumptions and valuations most recently used to account for such obligations in accordance with applicable generally accepted accounting principles; and
- (iii) each Foreign Plan required to be registered has been registered and has been maintained in good standing with applicable regulatory authorities.

(e) Neither the Borrower nor any ERISA Affiliate maintains or contributes to, or has any unsatisfied obligation to contribute to, or liability under, any active or terminated Pension Plan other than (A) on the Closing Date, those listed on Schedule 5.12(e) hereto and (B) thereafter, Pension Plans not otherwise prohibited by this Agreement.

5.13 Subsidiaries; Equity Interests; Loan Parties. As of the Closing Date, no Loan Party has any Subsidiaries other than those specifically disclosed in Part (a) of Schedule 5.13, and all of the outstanding Equity Interests in such Subsidiaries have been validly issued, are fully paid and non-assessable (to the extent such concepts apply in such Subsidiary's jurisdiction of incorporation) and are owned by a Loan Party in the amounts specified on Part (a) of Schedule 5.13 free and clear of all Liens, except those created under the Collateral Documents. No Loan Party has any equity investments in any other corporation or entity other than those specifically disclosed in Part (b) of Schedule 5.13. All of the outstanding Equity Interests in the Borrower have been validly issued, are fully paid and non-assessable. Set forth on Part (d) of Schedule 5.13 is a complete and accurate list of all Loan Parties, showing as of the Closing Date (as to each Loan Party) the jurisdiction of its incorporation, the address of its principal place of business and its true and correct U.S. taxpayer identification number or, in the case of any non-U.S. Loan Party that does not have a U.S. taxpayer identification number, its true and correct unique identification number issued to it by the jurisdiction of its incorporation or formation. The copy of the charter of each Loan Party and each amendment thereto provided pursuant to Section 4.01(a)(vi) is a true and correct copy of each such document, each of which is valid and in full force and effect.

5.14 Margin Regulations; Investment Company Act.

(a) No Loan Party or Subsidiary is engaged nor will it engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than twenty-five percent (25%) of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) subject to the provisions of Section 7.01 or Section 7.05 or subject to any restriction contained in any agreement or instrument between the Borrower and any Lender or any Affiliate of any Lender relating to Indebtedness and within the scope of Section 8.01(e) will be margin stock.

(b) None of the Borrower, any Person Controlling the Borrower, or any Subsidiary is or is required to be registered as an "investment company" under the Investment Company Act of 1940.

5.15 Disclosure. Each Loan Party has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (in writing) by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby or delivered hereunder or under any other Loan Document (taken as a whole with any other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information or forecasts, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

5.16 Compliance with Laws.

(a) Each Loan Party and each Subsidiary thereof is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(b) To the knowledge of the Borrower, no circumstance exists and no event has occurred that (with or without notice or lapse of time) may give rise to any obligation on the part of any Loan Party to undertake, or to bear all or any portion of the cost of, any remedial corrective action of any nature with respect to any product developed, produced, manufactured, tested, packaged, labeled, marketed, sold, and/or distributed by a Loan Party or any of its Subsidiaries.

(c) Each product that is developed, produced, manufactured, tested, packaged, labeled, marketed, sold, and/or distributed by a Loan Party or any of its Subsidiaries that is subject to the Federal Food, Drug and Cosmetic Act (the "FFDCA"), the FDA regulations promulgated thereunder, or similar Law, is being developed, produced, tested, packaged, labeled, marketed, sold, and/or distributed in compliance in all material respects with all applicable Laws under the FFDCA or similar applicable Laws, including those relating to import registration and reporting, current good manufacturing practices (cGMPs), and corresponding facility registration, recall, recordkeeping, and reporting obligations, and is not adulterated or misbranded within the meaning of the FFDCA.

(d) No Loan Party, no Subsidiary of any Loan Party nor any officer or, to any Loan Party's knowledge, employee of any of them currently is, or has been, convicted of any crime or engaged in any conduct for which debarment is mandated by 21 U.S.C. § 335a(a) or any similar Law or authorized by 21 U.S.C. § 335a(b) or have been charged with or convicted under any Law or conduct relating to the development or approval of products subject to regulation by the FDA (or similar or analogous foreign, state or local Governmental Authority), or otherwise relating to the regulation of any product that is developed, produced, manufactured, tested, packaged, labeled, marketed, sold, and/or distributed by a Loan Party or any of its Subsidiaries.

(e) No product that is developed, produced, manufactured, tested, packaged, labeled, marketed, sold, and/or distributed by a Loan Party or any of its Subsidiaries has been recalled directly or indirectly by a Loan Party or any of its Subsidiaries or any Governmental Authority or involuntarily withdrawn, suspended, or discontinued, except to the extent that any such recall, withdrawal, suspension or discontinuance would not reasonably be expected to have a Material Adverse Effect. No Loan Party has been notified in writing of any action, arbitration, audit, hearing, investigation, litigation, suit (whether civil, criminal, administrative, investigative, or informal) or claim commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Authority (whether completed or pending) seeking the voluntary or other recall, withdrawal, suspension, or seizure of any such product that is developed, produced, manufactured, tested, packaged, labeled, marketed, sold, and/or distributed by a Loan Party or any of its Subsidiaries that (x) in the case of the BioThrax Contract, would reasonably be expected to result in a Default pursuant to Section 8.01(m) and (y) in each other case, would reasonably be expected to have a Material Adverse Effect.

(f) Neither the Borrower nor any of its Subsidiaries has received (a) any so called "Warning Letters" or "Untitled Letters" from the FDA (or similar or analogous foreign, state or local Governmental Authority) for which the Borrower or such Subsidiary has not provided a response to or which has not otherwise been satisfied, or (b) any (i) citation, suspension, revocation, limitation, warning, audit finding, request or communication issued by a Governmental Authority that has not been resolved to the applicable Governmental Authority's satisfaction or (ii) notification in writing from any Governmental Authority regarding (i) any actual, alleged, possible, or potential violation of, or failure to comply with, any Law, or (ii) any actual, alleged, possible, or potential obligation on the part of any such Person to undertake, or to bear all or any portion of the cost of, any remedial action of any nature, in each case of any notification received under this clause (b), which would reasonably be expected to have a Material Adverse Effect.

(g) Each Loan Party and each of its Subsidiaries have filed all material reports, documents, applications, notices and copies of any contracts required by any applicable Laws to be filed or furnished to any Governmental Authority. All such reports, documents, applications, notices and contracts were complete and correct in all material respects on the date filed (or were corrected in or supplemented by a subsequent filing such that no material liability exists in respect of the Borrower and its Subsidiaries with respect to such filings).

(h) Neither any Loan Party nor any Subsidiary of any Loan Party nor any Principal (as defined in Federal Acquisition Regulation 52.209-5) presently is suspended or debarred from bidding on contracts or subcontracts for or with any Governmental Authority. No Loan Party has received written notification of any suspension or debarment actions with respect to any government contract currently have been commenced or threatened in writing against any Loan Party or any Subsidiary of any Loan Party or any of their respective Related Parties.

(i) Each Loan Party and each Subsidiary of any Loan Party, in each case, that is party to a contract with the Federal Government of the United States has an ethics and compliance program that complies with the requirements of Federal Acquisition Regulation Subpart 3.10 and FAR 52. 203-13.

5.17 [Reserved].

5.18 Intellectual Property; Licenses, Etc. Each Loan Party and each of its Subsidiaries own, or possess the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights (collectively, "IP Rights") that are reasonably necessary for the operation of their respective businesses, without conflict in any material respects with the rights of any other Person. To the best knowledge of the Borrower, no slogan or other advertising device, product, process, method, substance, part or other material employed by any Loan Party or any of its Subsidiaries infringes in any material respect upon any rights held by any other Person. No claim or litigation regarding any of the foregoing is pending or threatened in writing, which, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

5.19 OFAC; Anti Corruption Laws.

(a) No Loan Party, nor its Subsidiaries, nor, to the knowledge of any Loan Party and its Subsidiaries, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is a Sanctioned Person, nor is any Loan Party or any Subsidiary located, organized or resident in a Designated Jurisdiction.

(b) The Loan Parties have implemented and maintain in effect policies and procedures reasonably designed to ensure compliance by the Loan Parties and their respective Subsidiaries and their respective directors, officers, employees and agents with International Compliance Laws and applicable Sanctions, and the Loan Parties and their respective Subsidiaries and, to the knowledge of any Loan Party and its Subsidiaries, their respective officers and employees and to the knowledge of each Loan Party its respective directors and agents, are in compliance with International Compliance Laws in all material respects.

(c) No Covered Entity engages in any dealings or transactions prohibited by any International Compliance Law.

5.20 Solvency. The Borrower is, individually and together with its Subsidiaries on a consolidated basis, Solvent.

5.21 Casualty, Etc. Neither the businesses nor the properties of any Loan Party or any of its Subsidiaries are affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance) that, either individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

5.22 Collateral Documents. The provisions of the Collateral Documents are effective to create in favor of the Administrative Agent for the benefit of the Secured Parties a legal, valid and enforceable first priority Lien (subject to Liens permitted by Section 7.01) on all right, title and interest of the respective Loan Parties in the Collateral described therein. Except for filings (including the filing and/or recording of the Mortgages in all appropriate filing or recording offices) completed prior to the Closing Date and as contemplated hereby and by the Collateral Documents, no filing or other action will be necessary to perfect or protect such Liens.

5.23 Material Contracts.

(a) To the best of the knowledge of the Borrower and the other Loan Parties that are party to a Material Contract, each Material Contract is in full force and effect in all material respects.

(b) No Loan Party nor any of its Subsidiaries has, directly or indirectly, paid or delivered any material fee, commission or other sum of money or remuneration, however characterized, to any Governmental Authority or any other Person which in any manner is related to any Material Contract of any Loan Party or any of its Subsidiaries and which is illegal under any applicable Law.

(c) (i) No termination for convenience, termination for default, notice of non-renewal, notice of material non-compliance or default, cure notice or show cause notice has been issued to any Loan Party or any Subsidiary of any Loan Party or any predecessor of any of the foregoing and remains unresolved and (ii) no Loan Party nor any of its Subsidiaries aware of any failure by such Person to comply with any term or provision of any Material Contract that would be the basis for a termination for default, notice of material non-compliance or default, cure notice or show cause notice, in each case, would reasonably be expected to have a Material Adverse Effect.

(d) No material amount due to any Loan Party or any Subsidiary of any Loan Party or any predecessor of any of the foregoing has been withheld or set off by or on behalf of a Governmental Authority, or prime contractor or subcontractor (at any tier) in each case with respect to any Material Contract.

(e) No Loan Party nor any Subsidiary of any Loan Party nor any Related Parties of any of the foregoing (i) is under any administrative, civil or criminal investigation or indictment by any Governmental Authority, nor subject to any audit, whether pending, completed or threatened, relating to the performance or administration of any Material Contract by a Loan Party nor a Subsidiary of a Loan Party or (ii) has made, nor has been required to make, any disclosure to any Governmental Authority with respect to any material alleged irregularity, misstatement or omission under or relating to any Material Contract (or bid with respect thereto).

(f) With respect to any Material Contract to which any Governmental Authority is a counterparty:

(i) such Material Contract was legally awarded and no Loan Party nor any Subsidiary of any Loan Party has received any notice in writing that any Material Contract (or any bid in respect thereof) is the subject of any pending bid or award protest proceedings;

(ii) each Loan Party and each Subsidiary is in material compliance with all applicable statutory and regulatory requirements pertaining to each of its Material Contracts and bids related thereto, including to the extent applicable, (a) the Procurement Integrity Act (41 U.S.C. §§ 2101-2107) and its implementing regulations including Federal Acquisition Regulation 3.104; (b) the Anti-Kickback Act (41 U.S.C. §§ 8701-8707) and implementing regulations including the associated regulations set forth in Federal Acquisition Regulation 3.502; (c) the Federal Health Care Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b); (d) the prohibitions on bribery and gratuities set forth in 18 U.S.C. § 201 and the associated regulations at Federal Acquisition Regulation Subpart 3.2 and Federal Acquisition Regulation 52.203-3; (e) the Truth in Negotiations Act, 41 U.S.C. §§ 3501-3509; (f) the independent pricing requirements at Federal Acquisition Regulation 3.103; and (g) the limitations on the payments of funds to influence federal transactions, as set forth in 31 U.S.C. § 1352 and the associated regulations at Federal Acquisition Regulation Subpart 3.8 and Federal Acquisition Regulation 52.203-11; and

(iii) no Loan Party nor any Subsidiary of any Loan Party has made any mandatory disclosure under Federal Acquisition Regulation 52.203-13(b)(3)(i) or any voluntary disclosure to any Governmental Authority with respect to any alleged unlawful conduct, misstatement, significant overpayment under a Material Contract, or omission arising under or related to any Material Contract (or bid in respect thereof), and there are no facts that would require mandatory disclosure under Federal Acquisition Regulation 52.203-13(b)(3)(i).

ARTICLE VI

AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, each Loan Party shall, and shall (except in the case of the covenants set forth in Sections 6.01, 6.02 and 6.03) cause each Subsidiary to:

6.01 Financial Statements. Deliver to the Administrative Agent:

(a) as soon as available, but in any event within one-hundred twenty (120) days after the end of each fiscal year of the Borrower (commencing with the fiscal year ended December 31, 2013), a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report of an independent certified public accountant of nationally recognized standing, which report shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit;

(b) as soon as available, but in any event within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Borrower (commencing with the fiscal quarter ended March 31, 2014), a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations for such fiscal quarter or for the portion of the Borrower's fiscal year then ended, and the related consolidated statements of cash flows for the portion of the Borrower's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, certified by the chief executive officer, chief financial officer, treasurer, assistant treasurer or controller of the Borrower as fairly presenting the financial condition, results of operations, and cash flows of the Borrower and its Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes; and

(c) as soon as available, but in any event within forty-five (45) days after the beginning of each fiscal year of the Borrower, an annual business plan and budget of the Borrower and its Subsidiaries on a consolidated basis for such fiscal year prepared by management, in form reasonably satisfactory to the Administrative Agent.

As to any information contained in materials furnished pursuant to Section 6.02(c), the Borrower shall not be separately required to furnish such information under subsection (a) or (b) above, but the foregoing shall not be in derogation of the obligation of the Borrower to furnish the information and materials described in subsections (a) and (b) above at the times specified therein.

6.02 Certificates; Other Information. Deliver to the Administrative Agent:

(a) (i) concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and (b) (commencing with the delivery of the financial statements for the fiscal year ended December 31, 2013) and (ii) at least five (5) Business Days prior to the date on which any earnout, milestone or other contingent payment is to be made in connection with any purchase or other acquisition made pursuant to Section 7.02(g), a duly completed Compliance Certificate signed by the chief executive officer, chief financial officer, treasurer, assistant treasurer or controller of the Borrower (which shall be in form and detail reasonably satisfactory to the Administrative Agent and which delivery may, unless the Administrative Agent or a Lender requests executed originals, be by electronic communication including fax or email and shall be deemed to be an original authentic counterpart thereof for all purposes thereof), and (x) in the case of any Compliance Certificate delivered pursuant to clause (ii) above, the determination of compliance with Section 7.11 shall be made on a pro forma basis (giving effect to any such earnout, milestone or other contingent payment) as of the last day of the most recently ended Measurement Period (such compliance to be determined on the basis of the financial information most recently delivered to the Administrative Agent and the Lenders pursuant to Section 6.01(a) or (b) as though such payment had been made as of the first day of such Measurement Period, provided that, for the avoidance of doubt, the payment of any such earnout, milestone or other contingent payment in connection with any applicable purchase or other acquisition shall not be prohibited regardless of whether the Compliance Certificate delivered pursuant to clause (ii) above evidences compliance or failure to comply with Section 7.11 (it being understood, however, if such Compliance Certificate delivered pursuant to

clause (ii) above evidences a failure to comply with Section 7.11, such failure shall constitute an immediate Event of Default under this Agreement) and (y) in the event of any change in generally accepted accounting principles used in the preparation of such financial statements, the Borrower shall also provide, if necessary for the determination of compliance with Section 7.11, a statement of reconciliation conforming such financial statements to GAAP to the extent required by Section 1.03(b);

(b) promptly after any request by the Administrative Agent or any Lender, copies of any detailed audit reports, final management letters submitted to the board of directors (or the audit committee of the board of directors) of any Loan Party by independent accountants in connection with the accounts or books of any Loan Party or any of its Subsidiaries, or any audit of any of them;

(c) promptly after the same are available, copies of each annual report, proxy or financial statement or other report or communication sent to the stockholders of the Borrower, and copies of all annual, regular, periodic and special reports and registration statements which the Borrower may file or be required to file with the SEC under Section 13 or 15(d) of the Securities Exchange Act of 1934, and otherwise required to be delivered to the Administrative Agent pursuant hereto;

(d) promptly after the furnishing thereof, copies of any statement or report furnished to any holder of debt securities (other than the Obligations) of any Loan Party or any Subsidiary thereof pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Lenders pursuant to Section 6.01 or any other clause of this Section 6.02;

(e) as soon as available, but in any event within sixty (60) days after the end of each fiscal year of the Borrower, a report summarizing the insurance coverage (specifying type, amount and carrier) in effect for each Loan Party and its Subsidiaries and containing such additional information as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably specify;

(f) promptly, and in any event within five (5) Business Days after receipt thereof by any Loan Party or any Subsidiary thereof, copies (i) each notice of a non-routine nature received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of any Loan Party or any Subsidiary thereof or (ii) each notice from the FDA (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or other material inquiry, or adverse finding or determination with respect to any product manufactured, sold or distributed by any Loan Party or any Subsidiary of any Loan Party;

(g) not later than five (5) Business Days after receipt thereof by any Loan Party or any Subsidiary thereof, copies of all notices, of a non-routine nature and any amendments, waivers and other modifications so received under or pursuant to any instrument, indenture, loan or credit or similar agreement (other than the Loan Documents) and, from time to time upon request by the Administrative Agent, such information and reports regarding the such instruments, indentures and loan and credit and similar agreements as the Administrative Agent may reasonably request;

(h) promptly after the assertion or occurrence thereof, notice of any action or proceeding against or of any noncompliance by any Loan Party or any of its Subsidiaries with any Environmental Law or Environmental Permit that would (i) reasonably be expected to have a Material Adverse Effect or (ii) cause any property described in the Mortgages to be subject to any restrictions on ownership, occupancy, use or transferability under any Environmental Law;

(i) promptly after occurrence thereof or after the Borrower or applicable Subsidiary's receipt thereof, as applicable, copies of any notice of default, notice of termination or termination, audit or investigation under any Material Contract;

(j) promptly after the same are available, copies of each new or replacement BioThrax Contract and each amendment or modification thereto entered into after the Closing Date;

(k) promptly after occurrence thereof, copies of any amendment or modification to the Borrower's Investment Policy;

(l) as soon as available, but in any event within sixty (60) days after the end of each fiscal year of the Borrower, (i) a report supplementing Schedules 5.08(c) and 5.08(d), including an identification of all owned and leased real property disposed of by any Loan Party or any Subsidiary thereof during such fiscal year, a list and description (including the street address, county or other relevant jurisdiction, state, record owner, book value thereof and, in the case of leases of property, lessor, lessee, and lease expiration date) of all real property acquired or leased during such fiscal year and a description of such other changes in the information included in such Schedules as may be necessary for such Schedules to be accurate and complete; and (ii) a report supplementing Schedules 5.08(e) and 5.13 containing a description of all changes in the information included in such Schedules as may be necessary for such Schedules to be accurate and complete, each such report to be signed by a Responsible Officer of the Borrower and to be in a form reasonably satisfactory to the Administrative Agent;

(m) promptly after the same are available, copies of the Company Circular under and as defined in the Target Acquisition Agreement; and

(n) promptly, such additional information regarding the business, financial, legal or corporate affairs of any Loan Party or any Subsidiary thereof, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to Section 6.01(a) or (b) or Section 6.02(c) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed on Schedule 10.02; or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) the Borrower shall deliver paper copies of such documents to the Administrative Agent upon its request to the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent and (ii) the Borrower shall notify the Administrative Agent (by facsimile or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Arrangers may, but shall not be obligated to, make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on Debt Domain, IntraLinks, Syndtrak or another similar electronic system (the "Platform") and (b) certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent, the Arrangers, the L/C Issuer and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (z) the Administrative Agent and the Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information." Notwithstanding the foregoing, the Borrower shall be under no obligation to mark any Borrower Materials "PUBLIC".

6.03 Notices. Promptly notify the Administrative Agent:

(a) of the occurrence of any Default or Event of Default;

(b) of any matter that has resulted or would reasonably be expected to result in a Material Adverse Effect, including (i) any dispute, litigation, investigation, proceeding or suspension between the Borrower or any Subsidiary and any Governmental Authority; or (ii) the commencement of, or any material development in, any litigation or proceeding affecting the Borrower or any Subsidiary, including pursuant to any applicable Environmental Laws;

(c) of the occurrence of any ERISA Event;

(d) the receipt by any Loan Party or any of its Subsidiaries of (i) any so called "Warning Letter", or similar notification, (ii) any notification of a mandated or requested recall affecting the products manufactured, sold or distributed by such Loan Party or such Subsidiary, or (iii) any other material correspondence which may be adverse to the interest of the Borrower and its Subsidiaries (as determined in good faith by such applicable Borrower or such Subsidiary), in each case, from the FDA (or analogous foreign, state or local Governmental Authority);

(e) the occurrence of any event or the existence of any other matter that has resulted or could reasonably be expected to result in Environmental Liability to the Borrower or any Subsidiary in excess of \$5,000,000;

(f) the occurrence of any event or the existence of any other matter that has resulted or would reasonably be expected to result in a recall affecting (x) BioThrax or any other product which is sold or distributed by a Loan Party under a Material Government Contract or (y) other products manufactured, sold or distributed by a Loan Party or a Subsidiary of a Loan Party with a fair market value in the case of this clause (y) in excess of \$2,500,000; and

(g) of any material change in accounting policies or financial reporting practices by any Loan Party or any Subsidiary thereof, including any determination by the Borrower referred to in Section 2.10(b).

Each notice pursuant to this Section 6.03 shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached. Each notice pursuant to Section 6.03(d) shall be accompanied by the applicable "Warning Letter", notification or correspondence received by the Borrower or such Subsidiary.

6.04 Payment of Obligations. Pay and discharge as the same shall become due and payable, all its obligations and liabilities, including (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower or such Subsidiary; (b) all lawful claims which, if unpaid, would by law become a Lien upon its property, unless the same are being contested in good faith by

appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower or such Subsidiary, and solely to the extent that (x) such Liens do not (and will not) have priority over the Liens on the assets of the Loan Parties securing the Obligations and (y) no enforcement action on account of any such Lien has been taken by (or on behalf of) the holder of such Lien; and (c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

6.05 Preservation of Existence, Etc. (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by [Section 7.04](#) or [7.05](#); provided, however, that the Borrower and its Subsidiaries may consummate any merger or consolidation permitted under [Section 7.04](#); (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which would reasonably be expected to have a Material Adverse Effect.

6.06 Maintenance of Properties. (a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear, casualty and condemnation excepted; (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so would not reasonably be expected to have a Material Adverse Effect; and (c) use the standard of care typical in the industry in the operation and maintenance of its facilities.

6.07 Maintenance of Insurance. Maintain with companies having an A.M. Best Rating of at least A- not Affiliates of the Borrower, insurance in such amounts, with such deductibles and covering such risks as are necessary to ensure that Uninsured Liabilities of the Borrower and/or any Subsidiary are not reasonably likely to result in a Material Adverse Effect. Without limiting the foregoing, each appropriate Loan Party shall (i) maintain, if available, fully paid flood hazard insurance on all real property that is located in a special flood hazard area and that constitutes collateral security for the Obligations, on such terms and in such amounts as required by The National Flood Insurance Reform Act of 1994 or as otherwise required by the Administrative Agent, (ii) furnish to the Administrative Agent evidence of the renewal (and payment of renewal premiums therefor) of all such policies prior to the expiration or lapse thereof, and (iii) furnish to the Administrative Agent prompt written notice of any redesignation of any such improved real property into or out of a special flood hazard area.

6.08 Compliance with Laws. Comply in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except (to the extent not constituting a breach of any representation or warranty made pursuant to [Section 5.16](#)) in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures reasonably designed to ensure compliance in all material respects by the Borrower, its Subsidiaries and, to the knowledge of the Borrower and its Subsidiaries, their respective directors, officers, employees and agents with International Compliance Laws and applicable Sanctions.

6.09 Books and Records. (a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Borrower or such Subsidiary (subject to year-end audit adjustments and the absence of footnotes), as the case may be; (b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Borrower or such Subsidiary, as the case may be; (c) maintain systems of internal controls (including but not limited to, cost accounting systems, estimating systems, purchasing systems, proposal systems, billing systems and management systems) that are in compliance in all material respects with the requirements of its Material Contracts, and no such systems of internal controls have been determined by any Governmental Authority to be in noncompliance with any such requirement, and (d) without limiting the foregoing, maintain practices and procedures in estimating costs and pricing proposals and accumulating, recording, segregating, reporting and invoicing costs in compliance in all material respects with all applicable provisions of Part 31 (Cost Principles) of the Federal Acquisition Regulations and Federal Acquisition Regulation Part 99 (Cost Accounting Standards).

6.10 Inspection Rights. Permit representatives and independent contractors of the Administrative Agent and each Lender (if accompanied by the Administrative Agent) to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower; provided, however, that (i) absent an Event of Default, the Borrowers shall only be required to pay for one such visit and/or inspection in any twelve month period and (ii) when an Event of Default exists the Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice.

6.11 Use of Proceeds. Use the proceeds of the Credit Extensions for (i) working capital, (b) any Permitted Acquisition, (c) the Target Acquisition, (d) Capital Expenditures (including the acquisition of a new headquarters building), (e) to refinance certain existing Indebtedness on the Closing Date and (f) for other general corporate purposes and, in each case, in a manner not in contravention of any Law or of any Loan Document.

6.12 Covenant to Guarantee Obligations and Give Security.

(a) Upon the formation or acquisition of any new direct or indirect Domestic Subsidiary (other than a Domestic Subsidiary that is a Subsidiary of a Foreign Subsidiary that is a CFC) by any Loan Party, then the Borrower shall, at the Borrower's expense:

- (i) within thirty (30) days after such formation or acquisition, cause such Subsidiary, and cause each direct and indirect parent of such Subsidiary (other than any such parent that is a CFC and only if it has not already done so), to duly execute and deliver to the Administrative Agent a guaranty or guaranty supplement, in form and substance reasonably satisfactory to the Administrative Agent, guaranteeing the other Loan Parties' Obligations under the Loan Documents,
- (ii) within thirty (30) days after such formation or acquisition, furnish to the Administrative Agent a description of all owned real and personal properties of such Subsidiary, in detail satisfactory to the Administrative Agent,
- (iii) within thirty (30) days after such formation or acquisition, cause such Subsidiary and each direct and indirect parent of such Subsidiary (other than any such parent that is a CFC and only if it has not already done so) to duly execute and deliver to the Administrative Agent such security agreements, other security and pledge agreements and assignment agreements (including any such agreement or action as may be necessary in the reasonable opinion of the Administrative Agent to comply with the Federal Assignment of Claims Act of 1940, with respect to Material Government Contracts (including any BioThrax Contract) unless such contract (other than the BioThrax Contract) may not be so assigned under the terms of the Federal Assignment of Claims Act of 1940 (it being acknowledged and agreed that each Loan Party shall use commercially reasonable efforts to cause each new Material Government Contract to be free of any restriction on assignment)), as specified by and in form and substance reasonably satisfactory to the Administrative Agent (including delivery of all instruments of the type specified in [Section 4.01\(a\)\(iv\)](#)), securing payment of all the Obligations of such Subsidiary or such parent, as the case may be, under the Loan Documents and constituting Liens on all personal properties of the type constituting Collateral, provided that a Loan Party shall not be required to make any assignment of, or provide any mortgage over, any leasehold interest in any real property except pursuant to clause (c) below,
- (iv) within thirty (30) days after such formation or acquisition, cause such Subsidiary and each direct and indirect parent of such Subsidiary (other than any such parent that is a CFC and only if it has not already done so) to take whatever action (including the filing of Uniform Commercial Code financing statements, the giving of notices and the endorsement of notices on title documents) may be necessary or advisable in the opinion of the Administrative Agent to vest in the Administrative Agent (or in any representative of the Administrative Agent designated by it) valid, subsisting and perfected Liens on all personal property purported to be subject to the security agreements, other security and pledge agreements and assignment agreements (including, with respect to Material Government Contracts, any such agreement as may be necessary in the reasonable opinion of the Administrative Agent under Federal Assignment of Claims Act of 1940 unless such contract (other than the BioThrax Contract) may not be so assigned under the terms of the Federal Assignment of Claims Act of 1940 (it being acknowledged and agreed that each Loan Party shall use commercially reasonable efforts to cause each new Material Government Contract to be free of any restriction on assignment)) delivered pursuant to this [Section 6.12\(a\)](#), enforceable against all third parties in accordance with their terms, and
- (v) within sixty (60) days after such formation or acquisition, deliver to the Administrative Agent, upon the request of the Administrative Agent in its sole discretion, a signed copy of a customary opinion, addressed to the Administrative Agent and the other Secured Parties, of counsel for the Loan Parties reasonably acceptable to the Administrative Agent as to the matters contained in clauses (i), (iii) and (iv) above, and as to such other matters as the Administrative Agent may reasonably request.

(b) Upon the acquisition by any Loan Party of any personal property of the type constituting Collateral (including any successor BioThrax Contract), if such property, in the judgment of the Administrative Agent, shall not already be subject to a perfected first priority security interest in favor of the Administrative Agent for the benefit of the Secured Parties, then the Borrower shall, at the Borrower's expense:

- (i) within thirty (30) days after such acquisition, furnish to the Administrative Agent a description of the property so acquired in detail satisfactory to the Administrative Agent,
- (ii) within thirty (30) days after such acquisition, cause the applicable Loan Party to duly execute and deliver to the Administrative Agent security agreements, other security and pledge agreements and assignment agreements (including any such agreement or action as may be necessary in the reasonable opinion of the Administrative Agent to comply with the Federal Assignment of Claims Act of 1940, with respect to Material Government Contracts (including any BioThrax Contract)), as specified by and in form and substance reasonably satisfactory to the Administrative Agent, securing payment of all the Obligations of the applicable Loan Party under the Loan Documents and constituting Liens on all such properties,
- (iii) within thirty (30) days after such acquisition, cause the applicable Loan Party to take whatever action (including the filing of Uniform Commercial Code financing statements, the giving of notices and the endorsement of notices on title documents) may be necessary or advisable in the opinion of the Administrative Agent to vest in the

Administrative Agent (or in any representative of the Administrative Agent designated by it) valid, subsisting and perfected Liens on such property, enforceable against all third parties, and

(iv) within sixty (60) days after such acquisition, deliver to the Administrative Agent, upon the request of the Administrative Agent in its sole discretion, a signed copy of a customary opinion, addressed to the Administrative Agent and the other Secured Parties, of counsel for the Loan Parties reasonably acceptable to the Administrative Agent as to the matters contained in clauses (ii) and (iii) above and as to such other matters as the Administrative Agent may reasonably request.

(c) Upon the request of the Administrative Agent following the occurrence and during the continuance of an Event of Default, the Borrower shall, at the Borrower's expense:

(i) within ten (10) days after such request, furnish to the Administrative Agent a description of the real and personal properties of the Loan Parties and their respective Subsidiaries in detail satisfactory to the Administrative Agent,

(ii) within thirty (30) days after such request, duly execute and deliver, and cause each Loan Party (only if it has not already done so) to duly execute and deliver, to the Administrative Agent deeds of trust, trust deeds, deeds to secure debt, mortgages, leasehold mortgages, leasehold deeds of trust, security agreements, other security and pledge agreements and assignment agreements (including any such agreement or action as may be necessary in the reasonable opinion of the Administrative Agent to comply with the Federal Assignment of Claims Act of 1940, with respect to Material Government Contracts (including any BioThrax Contract)), as specified by and in form and substance reasonably satisfactory to the Administrative Agent (including delivery of all instruments of the type specified in Section 4.01(a)(iv)), securing payment of all the Obligations of the applicable Loan Party under the Loan Documents and constituting Liens on all such properties constituting Collateral,

(iii) within thirty (30) days after such request, take, and cause each Loan Party to take, whatever action (including the recording of mortgages, the filing of Uniform Commercial Code financing statements, the giving of notices and the endorsement of notices on title documents) may be necessary or advisable in the opinion of the Administrative Agent to vest in the Administrative Agent (or in any representative of the Administrative Agent designated by it) valid, subsisting and perfected Liens on the properties purported to be subject to the deeds of trust, trust deeds, mortgages, leasehold mortgages, leasehold deeds of trust, security agreements, other security and pledge agreements and assignment agreements (including any such agreement or action as may be necessary in the reasonable opinion of the Administrative Agent to comply with the Federal Assignment of Claims Act of 1940, with respect to Material Government Contracts (including any BioThrax Contract)) delivered pursuant to this Section 6.12(c), enforceable against all third parties in accordance with their terms,

(iv) within sixty (60) days after such request, deliver to the Administrative Agent, upon the request of the Administrative Agent in its sole discretion, a signed copy of a customary opinion, addressed to the Administrative Agent and the other Secured Parties, of counsel for the Loan Parties reasonably acceptable to the Administrative Agent as to the matters contained in clauses (ii) and (iii) above, and as to such other matters as the Administrative Agent may reasonably request, and

(v) as promptly as practicable after such request, deliver, upon the request of the Administrative Agent in its sole discretion, to the Administrative Agent with respect to each parcel of real property owned or held by the Borrower and its Subsidiaries, title reports, surveys and engineering, soils and other reports, and environmental assessment reports, each in scope, form and substance reasonably satisfactory to the Administrative Agent, provided, however, that to the extent that any Loan Party or any of its Subsidiaries shall have otherwise received any of the foregoing items with respect to such real property, such items shall, promptly after the request therefor, be delivered to the Administrative Agent.

(d) Within thirty (30) days after Target Acquisition Closing Date, the Borrower shall, at the Borrower's expense, (i) cause the Equity Interests of each Target Acquisition Subsidiary that is a first-tier Foreign Subsidiary (to the extent not owned by a CFC) to be pledged to the Administrative Agent as collateral security for the Obligations in accordance with the terms of the Securities Pledge Agreement, (ii) cause to be provided to the Administrative Agent (in form and substance satisfactory to the Administrative Agent) such certificates of resolutions or other action as the Administrative Agent may require evidencing the acknowledgment by such Target Acquisition Subsidiary of the pledge of its Equity Interests in accordance with the terms hereof and (iii) cause to be taken whatever action may be necessary or reasonably advisable in the opinion of the Administrative Agent to vest in the Administrative Agent (or in any representative of the Administrative Agent designated by it) valid, subsisting and perfected Liens on all such Equity Interests of a Target Acquisition Subsidiary purported to be subject to the Securities Pledge Agreement. Notwithstanding the foregoing to the contrary, it is hereby acknowledged and agreed that the Loan Parties shall not be required to provide an opinion of local Canadian counsel with respect to any action required under this Section 6.12(d) (including any pledge of Equity Interests of a Target Acquisition Subsidiary required hereunder).

6.13 Compliance with Environmental Laws. Comply, and cause all lessees and other Persons operating or occupying its properties to comply, in all material respects, with all applicable Environmental Laws and Environmental Permits; obtain and renew all Environmental Permits necessary for its operations and properties; and conduct any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Hazardous Materials from any of its properties, to the extent required under Environmental Laws; provided, however, that neither the Borrower nor any of its Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

6.14 Preparation of Environmental Reports. (a) If a Default caused by reason of a breach of Section 5.09 or 6.13 shall have occurred or (b) in the event the Required Lenders reasonably believe, in good faith, that a violation of applicable Environmental Law or a recognized environmental condition may exist, or a release of Hazardous Materials may have occurred, Borrower shall provide to the Lenders within 90 days after receiving a written request therefor, at the expense of the Borrower, a so-called Phase I environmental site assessment report for any of its properties described in such request, prepared by an environmental consulting firm acceptable to the Administrative Agent, indicating the presence or absence of Hazardous Materials and the estimated cost of any compliance, removal or remedial action in connection with any Hazardous Materials on such properties; without limiting the generality of the foregoing, if the Administrative Agent determines at any time that a material risk exists that any such report will not be provided within the time referred to above, the Administrative Agent may retain an environmental consulting firm to prepare such report at the expense of the Borrower, and each Loan Party hereby grants and agrees to cause any Subsidiary that owns any property described in such request to grant at the time of such request to the Administrative Agent, the Lenders, such firm and any agents or representatives thereof an irrevocable non-exclusive license, subject to the rights of tenants, to enter onto their respective properties to undertake such an assessment. It is understood and agreed that to the extent any such Phase I environmental site assessment report shall reasonably recommend additional environmental assessments, such assessments shall be conducted as soon as practical by the Borrower, at the expense of the Borrower, or, absent such action by the Borrower, by the Administrative Agent in same manner contemplated above.

6.15 Further Assurances. Promptly upon request by the Administrative Agent, or any Lender through the Administrative Agent, (a) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably require from time to time in order to (i) carry out more effectively the purposes of the Loan Documents, (ii) to the fullest extent permitted by applicable law, subject any Loan Party's or any of its Subsidiaries' properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Collateral Documents, (iii) perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and any of the Liens intended to be created thereunder and (iv) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Secured Parties the rights granted or now or hereafter intended to be granted to the Secured Parties under any Loan Document or under any other instrument executed in connection with any Loan Document to which any Loan Party or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries to do so.

6.16 Compliance with Terms of Material Contracts. Perform and observe in all material respects the terms and provisions of each Material Contract to be performed or observed by it, maintain each such Material Contract, as amended, restated, modified, supplemented or otherwise modified from time to time, in full force and effect, use commercially reasonable efforts to enforce in all material respects each such Material Contract in accordance with its terms. Upon the reasonable request of the Administrative Agent, make (to the extent commercially reasonable to do so) such demands and requests for information and reports to each other party to each such Material Contract as any Loan Party or any of its Subsidiaries is entitled to make under such Material Contract, and cause each of its Subsidiaries to do so.

6.17 Cash Management.

(a) Subject to the terms of the Post-Closing Agreement, enter into customary Account Control Agreements with respect to each Control Account.

(b) Maintain (i) each BioThrax Receivables Account with a Lender, subject to a customary Account Control Agreement in favor of the Administrative Agent and (ii) each other account in which payments from any Governmental Authority is made or deposited subject to a customary Account Control Agreement in favor of the Administrative Agent. Notwithstanding anything to the contrary contained herein, no Loan Party shall take any action with respect to the BioThrax Receivables Account which could impair, in any manner, the assignment of payments made under the Federal Assignment of Claims Act of 1940 in favor of the Administrative Agent, for the benefit of the Secured Parties, with respect to the BioThrax Contract.

6.18 Contingent Payment Obligations. At least five (5) Business Days prior to the date on which any earnout, milestone or other contingent payment is to be made in connection with any purchase or other acquisition made pursuant to Section 7.02(g), a duly completed Compliance Certificate in accordance with Section 6.02(a).

ARTICLE VII

NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, no Loan Party shall, nor shall any Loan Party permit any Subsidiary to, directly or indirectly:

7.01 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets (including, without limitation, any IP Rights, owned real property, the assets of any Target Acquisition Subsidiary or the equity of any Target Acquisition Subsidiary) or revenues, whether now owned or hereafter acquired, or sign or file or suffer to exist under the Uniform Commercial Code of any jurisdiction a financing statement that names the Borrower or any of its Subsidiaries as debtor (other than precautionary lease filings in respect of operating leases covering only the property subject to any such lease and, which shall in no event secure any Indebtedness), or assign any accounts or other right to receive income, other than the following:

- (a) Liens pursuant to any Loan Document;
- (b) Liens existing on the date hereof and listed on Schedule 5.08(b) and any renewals or extensions thereof, provided that (i) the property covered thereby is not changed, (ii) the amount secured or benefited thereby is not increased except as contemplated by Section 7.03(c), (iii) the direct or any contingent obligor with respect thereto is not changed, and (iv) any renewal or extension of the obligations secured or benefited thereby is permitted by Section 7.03(c);
- (c) Liens for taxes not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;
- (d) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person;
- (e) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA;
- (f) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;
- (g) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;
- (h) Liens securing judgments for the payment of money not constituting an Event of Default under Section 8.01(h);
- (i) Liens securing Indebtedness permitted under Section 7.03(f); provided that (i) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and (ii) the Indebtedness secured thereby does not exceed the cost or fair market value, whichever is lower, of the property being acquired on the date of acquisition;
- (j) solely to the extent junior to the Liens on the Collateral securing the Obligations, Liens securing obligations in respect of Indebtedness under any economic development incentive program from any State or any subdivision permitted under Section 7.03(g); provided that such Liens (i) do not at any time encumber any property other than any property located in such State or subdivision giving rise to the Borrower's business development activities and such incentive program and (ii) to the extent encumbering any Collateral, shall at all times be subject to an intercreditor agreement, in form and substance reasonably satisfactory to the Administrative Agent;
- (k) other Liens securing Indebtedness outstanding in an aggregate principal amount not to exceed \$5,000,000, provided that no such Lien shall extend to or cover any Collateral or any IP Rights, any owned real property, or any assets of any Target Acquisition Subsidiary or any equity of any Target Acquisition Subsidiary;
- (l) any interest or title of a lessor, licensor or sublessor under any lease, license or sublease entered into by any Loan Party or any Subsidiary thereof in the ordinary course of business and covering only the assets so leased, licensed or subleased;
- (m) Liens securing obligations under letters of credit denominated in a currency other than Dollars to the extent permitted under Section 7.03(k); provided that (x) such Liens do not at any time encumber any property other than cash collateral posted in support of such obligations and (y) the aggregate amount of cash collateral furnished on account of such letters of credit shall not exceed \$5,000,000 at any time; and
- (n) Liens with respect to Mortgaged Property, solely to the extent constituting Permitted Encumbrances.

7.02 Investments. Make any Investments, except:

- (a) Investments held by the Borrower and its Subsidiaries in the form of Cash Equivalents and other Investments permitted by the Investment Policy;
- (b) advances to officers, directors and employees of the Borrower and Subsidiaries in an aggregate amount not to exceed \$500,000 at any time outstanding, for travel, entertainment, relocation and analogous ordinary business purposes;
- (c) (i) Investments by the Borrower and its Subsidiaries in their respective Subsidiaries outstanding on the date hereof, (ii) additional Investments by the Borrower and its Subsidiaries in Loan Parties, and (iii) additional Investments by Subsidiaries of the Borrower that are not Loan Parties in other Subsidiaries that are not Loan Parties;
- (d) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;
- (e) Guarantees permitted by Section 7.03;
- (f) Investments existing on the date hereof (other than those referred to in Section 7.02(c)(i)) and set forth on Schedule 5.08(d);
- (g) the purchase or other acquisition of (x) all or substantially all of the Equity Interests in, or all or substantially all of the property of, any Person that, upon the consummation thereof, will be owned directly by the Borrower or one or more of its Subsidiaries (including as a result of a merger or consolidation) or (y) assets of another Person that constitute a business unit; provided that, with respect to each purchase or other acquisition made pursuant to this Section 7.02(g):
 - (i) (x) any such newly-created or acquired Subsidiary and (y) any Person acquiring such new business unit shall, in each case, comply with the requirements of Section 6.12;
 - (ii) the lines of business of the Person to be (or the property of which is to be) so purchased or otherwise acquired shall be substantially the same lines of business as one or more of the principal businesses of the Borrower and its Subsidiaries in the ordinary course or another business reasonably related thereto;
 - (iii) in the case of any acquisition of all or substantially all of the Equity Interest in a Person, such acquisition shall have been approved by the board of directors (or other equivalent governing body) of such Person;
 - (iv) (A) immediately before and immediately after giving pro forma effect to any such purchase or other acquisition, no Default or Event of Default shall have occurred and be continuing and (B) the Borrower shall have demonstrated, on a pro forma basis (after giving effect to such purchase or other acquisition, including any Credit Extensions to be made to fund any such purchase or other acquisition) as though such purchase or other acquisition had been consummated as of the first day of such Measurement Period, (I) that the Consolidated Leverage Ratio shall not be greater than 3.25 to 1.00 and (II) compliance with all of the other covenants set forth in Section 7.11, in the cases of clauses (I) and (II), as of (x) the last day of the most recently ended Measurement Period for which financial statements are available (such compliance to be determined on the basis of the financial information most recently delivered to the Administrative Agent and the Lenders pursuant to Section 6.01(a) or (b)) and (y) solely to the extent that Consolidated EBITDA attributable to such newly-created or acquired Subsidiary or acquired business unit is less than zero (\$0), the last day of the two immediately succeeding Measurement Periods occurring after the Measurement Period described in clause (x) above (such compliance to be determined on the basis of (1) financial information delivered to the Administrative Agent and the Lenders pursuant to Section 6.01(a) or (b) for the portion of the Measurement Period covered by such financial statements and (2) the good faith projected consolidated financial performance of the Borrower and its Subsidiaries for the portion of the applicable Measurement Period for which financial statements have not been delivered to the Administrative Agent and the Lenders pursuant to Section 6.01(a) or (b));
 - (v) the Transaction Consideration paid or to be paid by or on behalf of the Borrower and its Subsidiaries for any such purchase or other acquisition, when aggregated with the total Transaction Consideration paid or to be paid by or on behalf of the Borrower and its Subsidiaries for all other purchases and other acquisitions made by the Borrower and its Subsidiaries pursuant to this Section 7.02(g), shall not exceed \$50,000,000 in any fiscal year of the Borrower;
 - (vi) the Borrower shall have delivered to the Administrative Agent and each Lender, at least ten (10) Business Days prior to the date on which any such purchase or other acquisition is to be consummated, a description of such purchase or other acquisition with a reasonably detailed summary of all earnouts, milestones and other contingent payment obligations in connection with such purchase or other acquisition;

- (vii) no earnouts, milestones or other contingent payment obligations may be secured by any Lien on any property of any Loan Party or any Subsidiary of any Loan Party;
- (viii) all Indebtedness assumed in connection with such purchase or other acquisition shall be otherwise permitted to be incurred by the Loan Parties and their Subsidiaries under Section 7.03;
- (ix) the Borrower shall have delivered to the Administrative Agent such other information relating to such purchase or other acquisition as the Administrative Agent may have reasonably requested on a date or dates reasonably prior to the date of consummation thereof;
- (h) the consummation of the Target Acquisition on the Target Acquisition Closing Date, provided that each of the following conditions are satisfied:
- (i) the Administrative Agent and the Lenders shall have received, as of Target Acquisition Closing Date, an update to the Closing Date Compliance Certificate (or the most recent Compliance Certificate delivered under Section 6.02(a) hereof) reflecting, in each case, updated financial information as of the most recent month ended at least 30 days prior to the Target Acquisition Closing Date (for the trailing twelve-month period ending on such month end), and including the financial information of the Target received pursuant to clause (ii) of this Section 7.02(b), and giving pro forma effect to the Target Acquisition as though such Target Acquisition had been consummated on the first day of such trailing twelve-month period, which shall demonstrate on a pro forma basis after giving effect to the Target Acquisition, (x) compliance with each financial covenant set forth in Section 7.11 for such period, provided however that (1) Consolidated Leverage Ratio for such period shall not exceed 3.25 to 1.00, and (2) Liquidity, after giving effect to the Target Acquisition (and, for the avoidance of doubt, the proviso set forth in the first sentence of Section 7.11(d)), shall not be less than \$60,000,000 and (y) Consolidated EBITDA for such period shall not be less than \$60,000,000;
- (ii) the Administrative Agent and the Lenders shall have received each of the following: (A) on or prior to December 15, 2013 (to the extent the Target Acquisition Closing Date occurs on or after December 15, 2013), the unaudited consolidated balance sheet (and, to the extent prepared by the Target, income statement) of the Target and its Subsidiaries for the fiscal quarter of target ending October 31, 2013, to the extent such periods are not covered by the Target's annual and quarterly reports previously filed with the Toronto Stock Exchange; (B) to the extent the Target Acquisition Closing Date occurs on or after January 31, 2014, (x) the unaudited consolidated financial statements of the Target and its Subsidiaries for the fiscal quarter of Target ended October 31, 2013 and (y) the monthly unaudited consolidated balance sheet (and, to the extent prepared by the Target, income statement) of the Target and its Subsidiaries for the fiscal month of the Target ended December 31, 2013, to the extent such periods are not covered by the Target's annual and quarterly reports previously filed with the Toronto Stock Exchange; (C) to the extent the Target Acquisition Closing Date occurs on or after February 28, 2014, the monthly unaudited consolidated balance sheet (and, to the extent prepared by the Target, income statement) of the Target and its Subsidiaries for the fiscal month of the Target ended January 31, 2014, to the extent such periods are not covered by the Target's annual and quarterly reports previously filed with the Toronto Stock Exchange; (D) the quarterly unaudited consolidated balance sheet (and, to the extent prepared by the Target, income statement) of the Target and its Subsidiaries for each fiscal quarter of Target ended at least 45 days prior to the Target Acquisition Closing Date, to the extent such periods are not covered by the Target's annual and quarterly reports previously filed with the Toronto Stock Exchange; and (E) the monthly unaudited consolidated balance sheet (and, to the extent prepared by the Target, income statement) of the Target and its Subsidiaries for each fiscal month of the Target ended at least 30 days prior to the Target Acquisition Closing Date, to the extent such periods are not covered by the Target's annual and quarterly reports previously filed with the Toronto Stock Exchange; provided that, solely in the case of clauses (D) and (E) above, the Borrower's obligation to provide such financial statements of the Target and its Subsidiaries shall be subject to delivery of such financial statements by the Target to the Borrower;
- (iii) the Administrative Agent and the Lenders shall have received a final quality of earnings report prepared by Ernst & Young with respect to Target and its Subsidiaries;
- (iv) since the date of the last audited consolidated financial statements of the Target furnished to the Administrative Agent and the Lenders, no Materially Adverse (as such term is defined in the final form of Target Acquisition Agreement delivered to the Administrative Agent on the Closing Date subject to any change or modification thereto permitted pursuant to Section 7.17) event with respect to the Target shall then exist or result from the Target Acquisition;
- (v) the Administrative Agent and the Lenders shall have received a customary solvency certificate dated as of the Target Acquisition Closing Date, and which shall give effect to, the Target Acquisition, from the chief financial officer of the Borrower;
- (vi) the Target Acquisition shall be consummated in accordance with the terms of the final form of Target Acquisition Agreement delivered to the Administrative Agent on the Closing Date, as may be amended or otherwise modified in accordance with Section 7.17 (without giving effect to any waiver or modification thereof that is material and adverse to the interests of the Lenders, it being agreed that (A) any changes to the definition of "Materially Adverse" in the final form of Target Acquisition Agreement delivered to the Administrative Agent on the Closing Date (other than any change permitted pursuant to Section 7.17) shall be deemed to be material and adverse to the interests of the Lenders and (B) any waiver or modification of any provision (in a manner less favorable to Borrower or its Subsidiaries) which permits the Borrower or any Target Acquisition Subsidiary constituting the "Buyer" thereunder to terminate its obligations under the Target Acquisition Agreement (or decline to consummate the Target Acquisition (as contemplated in the final form of Target Acquisition Agreement delivered to the Administrative Agent on the Closing Date, as may be amended or otherwise modified in accordance with Section 7.17)) shall be deemed to be material and adverse to the interests of the Lender);
- (vii) the Transaction Consideration paid or to be paid by or on behalf of the Borrower and its Subsidiaries in connection with the Target Acquisition shall not exceed \$222,000,000 (the "Target Acquisition Purchase Price"), with not less than \$30,000,000 of Target Cash being held by the Target and its Subsidiaries at the Target Cash Calculation Time (it being understood and agreed that the Target Cash Distribution Amount shall be distributed to the Borrower as soon as commercially reasonable but no later than the 31st day following the Target Acquisition Closing Date);
- (viii) the Specified Representations and Warranties shall be true and correct and the Target Acquisition Agreement Representations shall be true and correct, provided that a failure of any Target Acquisition Agreement Representation to be true and correct shall not result in non-compliance with this clause (viii), unless such the failure of any Target Acquisition Agreement Representation to be true and correct would permit the Borrower (or the Target Acquisition Subsidiary constituting the "Buyer" under the Target Acquisition Agreement, as applicable) to refuse to consummate the Target Acquisition under the Target Acquisition Agreement or such failure of any Target Acquisition Agreement Representation to be true and correct gives the Borrower (or the Target Acquisition Subsidiary constituting the "Buyer" under the Target Acquisition Agreement, as applicable) the right to terminate its obligations under the Target Acquisition Agreement;
- (ix) the Target Acquisition Closing Date shall occur on or prior to the earlier of: (A) March 31, 2014 and (B) the date that is 120 days after the Closing Date, as may be extended by the Required Lenders;
- (x) there shall not exist any Specified Default;
- (xi) on or prior to the Target Acquisition Closing Date, the Borrower shall have delivered to the Administrative Agent, on behalf of the Lenders, a certificate of a Responsible Officer of the Borrower, in form reasonably satisfactory to the Administrative Agent, certifying that as of the Target Acquisition Closing Date, all of the requirements set forth in clause (i) through (x) of this Section 7.02(h) have been satisfied on or prior to the Target Acquisition Closing Date and attaching calculations demonstrating such satisfaction; and
- (i) other Investments not exceeding \$15,000,000 in the aggregate in each fiscal year of the Borrower; provided, however, that at any time after the date that each Specified Target Acquisition Subsidiary shall either (x) be a Guarantor hereunder or (y) be merged with and into a Loan Party (it being understood and agreed that, at the time a Specified Target Acquisition Subsidiary shall become a Guarantor or be merged as provided in clause (x) and (y) above, such Specified Target Acquisition Subsidiary shall have all assets, properties and equipment necessary for the operation of its business, as conducted on the date hereof), the Borrower and its Subsidiaries may make additional Investments pursuant to this clause (i) in an amount not exceeding \$5,000,000 in the aggregate in each fiscal year of the Borrower.

7.03 Indebtedness. Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents;

(b) Indebtedness of a Subsidiary of the Borrower owed to the Borrower or Subsidiary of the Borrower, which Indebtedness shall (i) in the case of Indebtedness owed to a Loan Party, constitute "Pledged Debt" under the Security Agreement, (ii) be on terms (including subordination terms) acceptable to the Administrative Agent and (iii) be otherwise permitted under the provisions of Section 7.02;

(c) Indebtedness outstanding on the date hereof and listed on Section 7.03 and any refinancings, refundings, renewals or extensions thereof; provided that (i) the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder, (ii) the direct or any contingent obligor with respect thereto is not changed as a result of or in connection with such refinancing, refunding, renewal or extension and (iii) the terms relating to principal amount, amortization, maturity, collateral (if any) and subordination (if any), and other material terms taken as a whole, of any such refinancing, refunding, renewal or extension, and of any agreement entered into and of any instrument issued in connection therewith, are no less favorable in any material respect to the Loan Parties or the Lenders than the terms of any agreement or instrument governing the Indebtedness being refinanced, refunded, renewed or extended and the interest rate applicable to any such refinancing, refunding, renewal or extending Indebtedness does not exceed the then-applicable market interest rate;

(d) (i) Guarantees of a Loan Party in respect of Indebtedness otherwise permitted hereunder of the Borrower or any other Loan Party, (ii) Guarantees of a Subsidiary of the Borrower that is not a Loan Party in respect of Indebtedness otherwise permitted hereunder of the Borrower or any other Subsidiary and (iii) Guarantees of a Loan Party in respect of Indebtedness of Subsidiaries that are not Loan Parties to the extent constituting an Investment in respect thereof permitted under Section 7.02;

(e) obligations (contingent or otherwise) of the Borrower or any Subsidiary existing or arising under any Swap Contract, provided that (i) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a "market view;" and (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(f) Indebtedness in respect of Capitalized Leases, Synthetic Lease Obligations and purchase money obligations for fixed or capital assets within the limitations set forth in Section 7.01(h); provided, however, that the aggregate amount of all such Indebtedness at any one time outstanding shall not exceed \$10,000,000;

(g) Indebtedness of the Borrower or any other Loan Party arising in connection with any economic development incentive program or grant from any State or any subdivision thereof in connection with the Borrower's or such Loan Party's business development activities in such State or subdivision; provided that (i) the aggregate principal amount of such Indebtedness outstanding at any time shall not exceed \$15,000,000, (ii) such Indebtedness shall, to the extent secured, be subject to intercreditor arrangements reasonably satisfactory to the Administrative Agent and (iii) the aggregate principal amount of such Indebtedness outstanding at any time in respect of the acquisition and/or build-out of the Borrower's headquarters location shall not exceed \$3,000,000;

(h) Indebtedness that is subordinated in right of payment to the Obligations under the Loan Documents pursuant to a subordination agreement or other documentation in form and substance reasonably satisfactory to the Administrative Agent;

(i) unsecured Indebtedness of the Borrower or any Guarantor under convertible senior notes; provided that (i) immediately before and immediately after giving pro forma effect to any such Indebtedness, no Default or Event of Default shall have occurred and be continuing, and (ii) such Indebtedness shall be on terms reasonably satisfactory to the Administrative Agent;

(j) Indebtedness in respect of earnouts, milestones and other contingent payment obligations incurred in connection with any Permitted Acquisition or other acquisition to which the requisite Lenders have consented;

(k) obligations of the Borrower or any Subsidiary under letters of credit denominated in a currency other than Dollars issued for the account of the Borrower or any of its Subsidiaries, provided that the aggregate amount of all such obligations (including the maximum amount available to be drawn under all such letters of credit) shall not exceed \$5,000,000 at any time;

(l) surety bonds, performance bonds and other obligations of a like nature incurred by the Borrower or any Subsidiary in the ordinary course of business in compliance with the terms of any government contract;

(m) Indebtedness in respect of Qualified Stock issued in accordance with Section 7.06(f), and

(n) other unsecured Indebtedness of the Borrower or any Guarantor in an aggregate principal amount not to exceed \$10,000,000 at any time outstanding.

7.04 Fundamental Changes. Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default or Event of Default exists or would result therefrom:

(a) any Subsidiary may merge with (i) the Borrower, provided that the Borrower shall be the continuing or surviving Person, or (ii) any one or more other Subsidiaries, provided that when any Loan Party (other than the Borrower) is merging with another Subsidiary, such Loan Party shall be the continuing or surviving Person;

(b) any Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Borrower or to another Loan Party;

(c) any Subsidiary that is not a Loan Party may dispose of all or substantially all its assets (including any Disposition that is in the nature of a liquidation) to (i) a wholly-owned Subsidiary that is not a Loan Party, (ii) solely in the case of any disposition by a non-wholly-owned Subsidiary of its assets, such disposition may be made ratably according to the respective holdings of each Person that owns the Equity Interest in such Subsidiary, or (iii) to a Loan Party;

(d) in connection with any acquisition permitted under Section 7.02, any Subsidiary of the Borrower may merge into or consolidate with any other Person or permit any other Person to merge into or consolidate with it; provided that (i) the Person surviving such merger shall be a Subsidiary of the Borrower (with the Borrower owning the same proportionate share of the Person surviving such merger or consolidation as the existing Subsidiary of the Borrower that is party to such merger or consolidation) and (ii) in the case of any such merger to which any Loan Party (other than the Borrower) is a party, such Loan Party is the surviving Person; and

(e) so long as no Default or Event of Default has occurred and is continuing or would result therefrom, each of the Borrower and any of its Subsidiaries may merge into or consolidate with any other Person or permit any other Person to merge into or consolidate with it; provided, however, that in each case, immediately after giving effect thereto (i) in the case of any such merger to which the Borrower is a party, the Borrower is the surviving corporation and (ii) in the case of any such merger to which any Loan Party (other than the Borrower) is a party, such Loan Party is the surviving corporation.

(f) the Borrower (or any applicable Subsidiary) may liquidate and cause the dissolution of the Specified Subsidiaries, provided that any assets of such Subsidiary are Disposed of in accordance with clause (b) or (c) of this Section 7.04, as applicable.

7.05 Dispositions. Make any Disposition or enter into any agreement to make any Disposition, except:

(a) Dispositions of obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business;

(b) Dispositions of inventory in the ordinary course of business;

(c) Dispositions of equipment or real property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are reasonably promptly applied to the purchase price of such replacement property;

(d) Dispositions of property by any Subsidiary to the Borrower or to a wholly-owned Subsidiary; provided that if the transferor of such property is a Guarantor, the transferee thereof must either be the Borrower or a Guarantor;

(e) Dispositions permitted by Section 7.04;

(f) non-exclusive licenses of IP Rights (other than any IP Rights related to BioThrax) on customary terms consistent with the ordinary course of business in the biotechnology industry, for terms not exceeding five (5) years;

(g) exclusive licenses of IP Rights related to TRU-016 and such other assets related to the ADAPTIR and MVAator platforms, provided that (i) any such Disposition shall be on customary terms consistent with the ordinary course of business in the biotechnology industry, (ii) no Default or Event of Default shall exist or would result from such Disposition, (iii) the Administrative Agent shall have received a certificate of a Responsible Officer of the Borrower, in form and substance reasonably satisfactory to the Administrative Agent, certifying and attaching calculations demonstrating that after such Disposition, on a pro forma basis, (x) the Borrower shall be in pro forma compliance with each of the financial covenants set forth in Section 7.11 and (y) Consolidated EBITDA shall be at least \$50,000,000, in each case, for the most recently ended Measurement Period prior to such Disposition, and calculated as if such Disposition occurred as of the first day of such Measurement Period; and

(h) Dispositions (including, without limitation, Dispositions of IP Rights other than IP Rights related to BioThrax) by the Borrower and its Subsidiaries; provided that (i) at the time of such Disposition, no Default or Event of Default shall exist or would result from such Disposition and (ii) the aggregate fair market value of all property Disposed of in reliance on this clause (h) in any fiscal year shall not exceed \$10,000,000; provided, however, that any Disposition pursuant to this Section 7.05 (other than pursuant to subsections (a) and (d) above) shall be for fair market value (in the Borrower's good faith determination).

7.06 Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, or issue or sell any Equity Interests, except that:

- (a) each Subsidiary may make Restricted Payments to the Borrower, the Guarantors and any other Person that owns an Equity Interest in such Subsidiary, ratably according to their respective holdings of the type of Equity Interest in respect of which such Restricted Payment is being made;
- (b) the Borrower and each Subsidiary may declare and make dividend payments or other distributions payable solely in the common stock or other common Equity Interests of such Person;
- (c) so long as no Default or Event of Default shall occurred and be continuing or would result therefrom, the Borrower may purchase, redeem or otherwise acquire its common Equity Interests issued by it with the proceeds received from the substantially concurrent issue of new shares of its common stock or other common Equity Interests;
- (d) so long as (i) no Default or Event of Default shall occurred and be continuing or would result therefrom and (ii) the Term Loan Termination Date has occurred (or, substantially concurrently with the incurrence of Indebtedness pursuant to Section 7.03(i), is occurring), the Borrower may purchase, redeem or otherwise acquire its common Equity Interests issued by it pursuant to its stock repurchase program announced on May 21, 2012, provided that the aggregate amount of Restricted Payments made pursuant to this Section 7.06(d) during the term of this Credit Agreement shall not exceed \$35,000,000;
- (e) the Borrower may issue and sell its common Equity Interests or any warrants or options with respect thereto pursuant to any executive compensation or stock option plan; and
- (f) the Borrower may issue and sell its Equity Interests solely to the extent constituting Qualified Stock.

7.07 Change in Nature of Business. Engage in any material line of business substantially different from those lines of business conducted by the Borrower and its Subsidiaries on the date hereof or any business substantially related or incidental thereto.

7.08 Transactions with Affiliates. Enter into any transaction of any kind with any Affiliate of the Borrower, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Borrower or such Subsidiary as would be obtainable by the Borrower or such Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate; provided that the foregoing restriction shall not apply to transactions between or among the Loan Parties.

7.09 Burdensome Agreements. Enter into or permit to exist any Contractual Obligation (other than this Agreement or any other Loan Document) that (a) limits the ability (i) of any Subsidiary to make Restricted Payments to the Borrower or any Guarantor or to otherwise transfer property to or invest in the Borrower or any Guarantor, except for any agreement in effect (A) on the date hereof and set forth on Schedule 7.09 or (B) at the time any Subsidiary becomes a Subsidiary of the Borrower, so long as such agreement was not entered into solely in contemplation of such Person becoming a Subsidiary of the Borrower, (ii) of any Subsidiary to Guarantee the Indebtedness of the Borrower or (iii) of the Borrower or any Subsidiary to create, incur, assume or suffer to exist Liens on property (including, without limitation, any owned real property of the Borrower or any Subsidiary, or any assets of any Target Acquisition Subsidiary or any equity of any Target Acquisition Subsidiary) of such Person; provided, however, that this clause (iii) shall not prohibit any negative pledge incurred or provided in favor of any holder of Indebtedness permitted under Section 7.03(f), solely to the extent any such negative pledge relates to the property financed by or the subject of such Indebtedness; or (b) requires the grant of a Lien to secure an obligation of such Person if a Lien is granted to secure another obligation of such Person.

7.10 Use of Proceeds. Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

7.11 Financial Covenants.

(a) Consolidated Debt Service Coverage Ratio. Permit the Consolidated Debt Service Coverage Ratio as of the last day of any Measurement Period of the Borrower to be less than 2.50 to 1.00, provided, however, that with respect to each Measurement Period occurring after the Term Loan Termination Date, such ratio shall not be less than 3.50 to 1.00.

(b) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio as of the last day of each Measurement Period of the Borrower to be greater than 3.50 to 1.00.

(c) Consolidated Senior Leverage Ratio. Solely to the extent no Term Loan is then outstanding, permit the Consolidated Senior Leverage Ratio to be greater than 2.00 to 1.00 as of the last day of any Measurement Period.

(d) Minimum Liquidity. Permit Liquidity at any time to be less than \$50,000,000, provided that "Liquidity" shall be deemed to include, for the purposes of this Section 7.11(d), an aggregate amount not to exceed \$40,000,000 of Target Cash for up to 30 days following the Target Acquisition Closing Date, provided, however, that notwithstanding such 30-day period, as soon as is commercially reasonable but no later than the first day following the end of such 30-day period, the Loan Parties shall cause the distribution to the Borrower of the Target Cash Distribution Amount. For the avoidance of doubt, the minimum Liquidity set forth in this Section 7.11(d) shall be required to be maintained by the Loan Parties at all times and shall be reported concurrently with the delivery of the financial statements referred to in Section 6.01(a) and (b) and as otherwise provided herein.

7.12 Amendments of Organization Documents. Amend any of its Organization Documents in a manner adverse to the interests of the Lenders.

7.13 Accounting Changes. Make any change in (a) accounting policies or reporting practices, except as required or permitted by GAAP, or (b) fiscal year, provided that following the Target Acquisition Closing Date, the Target may change its fiscal year to reflect the fiscal year of the Borrower and its Subsidiaries.

7.14 Prepayments, Etc. of Indebtedness. Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner, or make any payment in violation of any subordination terms, of any Indebtedness permitted under Section 7.03(h), 7.03(i), 7.03(j), 7.03(m), 7.03(n), 7.03(d) (to the extent constituting Guarantees of Indebtedness under Section 7.03(h), 7.03(i), 7.03(j), 7.03(m) and 7.03(n)) and 7.03(e) (to the extent such Swap Contract is entered into in connection with Indebtedness under Section 7.03(i)), except (a) the prepayment of the Credit Extensions in accordance with the terms of this Agreement, (b) regularly scheduled or required repayments or redemptions of Indebtedness set forth in Schedule 7.03 and refinancings and refundings of such Indebtedness in compliance with Section 7.03(c), and (c) the Borrower may deliver Qualified Stock of the Borrower to any holder of Indebtedness permitted under Section 7.03(i) in connection with a conversion of such Indebtedness into Equity Interests at the election of such holder.

7.15 Amendment, Etc. of Indebtedness. Amend, modify or change in any manner any term or condition of any Indebtedness set forth in Schedule 7.03 or Section 7.03(h), 7.03(i), 7.03(j), 7.03(n), 7.03(d) (to the extent constituting Guarantees of Indebtedness under Section 7.03(h), 7.03(i), 7.03(j) or 7.03(n)) and 7.03(e) (to the extent such Swap Contract is entered into in connection with Indebtedness under Section 7.03(i)) in any manner materially adverse to the interest of the Administrative Agent and the Lenders, except for any refinancing, refunding, renewal or extension thereof permitted by Section 7.03(c).

7.16 Sanctions; International Compliance Laws.

(a) Directly or indirectly, use the proceeds of any Credit Extension, or lend, contribute or otherwise make available such proceeds to any Sanctioned Person or any Subsidiary, joint venture partner or other individual or entity, to fund any activities of or business with any individual or entity in any Designated Jurisdiction, or in any other manner that will result in a violation by any individual or entity (including any individual or entity participating in the transaction, whether as Lender, Arranger, Administrative Agent, L/C Issuer, Swing Line Lender, or otherwise) of Sanctions.

(b) Engage in any dealings or transactions prohibited by any International Compliance Laws.

7.17 Amendment of Transaction Acquisition Arrangement Agreement. Amend, modify or change in any manner any term or condition of the final form of Target Acquisition Agreement delivered to the Administrative Agent on the Closing Date, except (a) amendments, modifications, or changes approved by the Required Lenders, in their sole discretion, and (b) amendments, modifications or changes that are not material and not adverse to the interests of the Lenders, it being agreed that (i) any changes to the definition of "Materially Adverse" in the final form of Target Acquisition Agreement delivered to the Administrative Agent on the Closing Date shall be deemed to be material and adverse to the interests of the Lenders and (ii) any waiver or modification of any provision (in a manner less favorable to Borrower or its Subsidiaries) which permits the Borrower or any Target Acquisition Subsidiary to terminate its obligations under the Target Acquisition Agreement (or decline to consummate the Target Acquisition (as contemplated in the final form of Target Acquisition agreement delivered to the Administrative Agent on the Closing Date)) shall be deemed to be material and adverse to the interests of the Lender). The Borrower shall promptly deliver to the Administrative Agent and the Lenders a true and correct copy of any amendment, modification or other change to the final form of Target Acquisition Agreement delivered to the Administrative Agent on the Closing Date.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default. Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrower or any other Loan Party fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan or any L/C Obligation or deposit any funds as Cash Collateral in respect of L/C Obligations, or (ii) within three (3) days after the same becomes due, any interest on any Loan or on any L/C Obligation, or any fee due hereunder, or (iii) pay within five (5) days after the same becomes due, any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. (i) The Borrower or any other Loan Party fails to perform or observe any term, covenant or agreement contained in any of Section 6.01, 6.02, 6.03, 6.05(a), 6.07, 6.10, 6.11, 6.12, 6.14, the first sentence of 6.16, 6.17, 6.18 or Article VII, or (ii) any Guarantor fails to perform or observe Section 2 contained in the Guaranty; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days; or

(d) **Representations and Warranties.** Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made; or

(e) **Cross-Default.** (i) Any Loan Party or any Subsidiary thereof (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness or Guarantee (other than Indebtedness hereunder and Indebtedness under Swap Contracts) having an aggregate principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which a Loan Party or any Subsidiary thereof is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which a Loan Party or any Subsidiary thereof is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by such Loan Party or such Subsidiary as a result thereof is greater than the Threshold Amount; or

(f) **Insolvency Proceedings, Etc.** Any Loan Party or any of its Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty (60) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) **Inability to Pay Debts; Attachment.** (i) Any Loan Party or any Subsidiary thereof becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within forty-five (45) days after its issue or levy; or

(h) **Judgments.** There is entered against any Loan Party or any Subsidiary thereof (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments or orders) exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of ten (10) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) **ERISA.** (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or would reasonably be expected to result in liability of the Borrower under Title IV of ERISA to such Pension Plan, such Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) the Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or

(j) **Invalidity of Loan Documents.** Any provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations and the termination of the Commitments, ceases to be in full force and effect; or any Loan Party expressly contests the validity or enforceability of any provision of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any provision of any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document; or

(k) **Change of Control.** There occurs any Change of Control; or

(l) **Collateral Documents.** Any Collateral Document after delivery thereof pursuant to [Section 4.01](#) or [6.12](#) shall for any reason (other than pursuant to the terms thereof) cease to create a valid and perfected first priority Lien (subject to Liens permitted by [Section 7.01](#)) on the Collateral purported to be covered thereby; or

(m) **Product Recall.** Any mandatory product recall shall be required pursuant to any order or directive of any Governmental Authority affecting the products manufactured, sold or distributed by the Borrower or any of its Subsidiaries, if the aggregate sales price of the products so recalled shall, individually or together with all other similar recalls of such products during any twelve consecutive month period, equal or exceed \$50,000,000; or

(n) **BioThrax Contracts.** The termination or expiration of, or the receipt of any notice by the Borrower or any Subsidiary to terminate, any Material Contract of the Borrower or any Subsidiary for the sale of BioThrax to any Governmental Authority of the Federal Government of the United States, to the extent a reasonably suitable replacement contract (in the reasonable judgment of the Administrative Agent) with a Governmental Authority is not entered into by the Borrower or such Subsidiary within three (3) Business Days after such termination or expiration of, or receipt of notice to terminate, such Material Contract; or

(o) **Subordination.** (i) The subordination provisions of the documents evidencing or governing any subordinated Indebtedness (the "**Subordinated Provisions**") shall, in whole or in part, terminate, cease to be effective or cease to be legally valid, binding and enforceable against any holder of the applicable subordinated Indebtedness; or (ii) the Borrower or any other Loan Party shall expressly disavow or contest in any manner (A) the effectiveness, validity or enforceability of any of the Subordination Provisions, (B) that the Subordination Provisions exist for the benefit of the Administrative Agent, the Lenders and the L/C Issuer or (C) that all payments of principal or of premium and interest on the applicable subordinated Indebtedness, or realized from the liquidation of any property of any Loan Party, shall be subject to any of the Subordination Provisions; or

(p) **Receivables.** Greater than 50% of all accounts receivable of the Loan Parties and their Subsidiaries arising from the sale of BioThrax to Governmental Authorities of the Federal Government of the United States becomes more than 90 days past the original due date therefor (with such determination being made on the basis of payment terms being substantially consistent with past practice), **provided however**, that receivables (up to maximum amount equal to \$50,000,000) that have become more than 90 days (but less than 120 days) past the original due date therefor shall be excluded in determining the percentage set forth above in this [Section 8.01\(p\)](#) solely to the extent, and by an amount equal to the amount by which, Liquidity exceeds \$50,000,000; or

(q) **Compliance Certificate.** Delivery of a Compliance Certificate pursuant to [Section 6.18](#) in connection with any earnout, milestone or other contingent payment to be made in connection with any purchase or other acquisition made pursuant to [Section 7.02\(g\)](#), which Compliance Certificate shall demonstrate failure to comply on a pro forma basis with the covenants set forth in [Section 7.11](#).

8.02 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) declare the commitment of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated; **provided** that prior to funding of the Term Loan the Term Commitments may only be terminated pursuant to this [Section 8.02\(a\)](#) if a Specified Default has occurred and is continuing;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;

(c) require that the Borrower Cash Collateralize the L/C Obligations (in an amount equal to the Minimum Collateral Amount with respect thereto); and

(d) exercise on behalf of itself, the Lenders and the L/C Issuer all rights and remedies available to it, the Lenders and the L/C Issuer under the Loan Documents; **provided, however**, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

8.03 Application of Funds. After the exercise of remedies provided for in [Section 8.02](#) (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to [Section 8.02](#)), any amounts received on account of the Obligations shall, subject to the provisions of [Sections 2.14](#), be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent payable in accordance with the terms hereof and amounts payable under [Article III](#)) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and the L/C Issuer (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuer payable in accordance with the terms hereof and amounts payable to the Lenders and the L/C Issuer under [Article III](#), ratably among them in proportion to the respective amounts described in this clause **Second** payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans, L/C Borrowings and other Obligations, ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans, L/C Borrowings and Obligations then owing under Secured Hedge Agreements and Secured Cash Management Agreements, ratably among the Lenders, the L/C Issuer, the Hedge Banks and the Cash Management Banks in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the Administrative Agent for the account of the L/C Issuer, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit to the extent not otherwise Cash Collateralized by the Borrower pursuant to Sections 2.03 and 2.14; and

Last, the balance, if any, after all of the Obligations have been paid in full in cash, to the Borrower or as otherwise required by Law;

provided that, in each case, Excluded Swap Obligations with respect to any Guarantor shall not be paid with amounts received from such Guarantor or its assets, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Obligations otherwise set forth in this Section 8.03.

Subject to Sections 2.03(c) and 2.14, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fifth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

Notwithstanding the foregoing, Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements shall be excluded from the application described above if the Administrative Agent has not received written notice thereof, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be. Each Cash Management Bank or Hedge Bank not a party to the Credit Agreement that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article IX hereof for itself and its Affiliates as if a "Lender" party hereto.

ARTICLE IX ADMINISTRATIVE AGENT

9.01 Appointment and Authority.

(a) Each of the Lenders and the L/C Issuer hereby irrevocably appoints Bank of America to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuer, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) The Administrative Agent shall also act as the "collateral agent" under the Loan Documents, and each of the Lenders (including in its capacities as a potential Hedge Bank and a potential Cash Management Bank) and the L/C Issuer hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender and the L/C Issuer for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as "collateral agent" and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent, shall be entitled to the benefits of all provisions of this Article IX and Article XI (including Section 10.04(c)), as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Loan Documents) as if set forth in full herein with respect thereto.

9.02 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

9.03 Exculpatory Provisions. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(d) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to the Administrative Agent by the Borrower, a Lender or the L/C Issuer.

(e) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of any Collateral, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.04 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.06 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuer and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuer, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or removed) Administrative Agent (other than as provided in Section 3.01(g) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

(d) Any resignation or removal by Bank of America as Administrative Agent pursuant to this Section shall also constitute its resignation as L/C Issuer and Swing Line Lender. If Bank of America resigns as an L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c). If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment by the Borrower of a successor L/C Issuer or Swing Line Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as applicable, (ii) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (iii) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

9.07 Non-Reliance on Administrative Agent and Other Lenders. Each Lender and the L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.08 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Book Managers, Arrangers, Documentation Agent, or Syndication Agent listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or the L/C Issuer hereunder.

9.09 Administrative Agent May File Proofs of Claim; Credit Bidding. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuer and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer and the Administrative Agent under Sections 2.03(h) and (i), 2.09 and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or the L/C Issuer to authorize the Administrative Agent to vote in respect of the claim of any Lender or the L/C Issuer in any such proceeding.

The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Required Lenders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Obligations secured by the Collateral pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Sections 363, 1123 or 1129 of the Bankruptcy Code of the United States, or any similar Laws in any other jurisdictions to which a Loan Party is subject, (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable Law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the Equity Interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the Administrative Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or Equity Interests thereof shall be governed, directly or indirectly, by the vote of the Required Lenders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Lenders contained in clauses (a) through (k) of Section 10.01 of this Agreement, (iii) the Administrative Agent shall be authorized to assign the relevant Obligations to any such acquisition vehicle pro rata by the Lenders, as a result of which each of the Lenders shall be deemed to have received a pro rata portion of any Equity Interests and/or debt instruments issued by such an acquisition vehicle on account of the assignment of the Obligations to be credit bid, all without the need for any Secured Party or acquisition vehicle to take any further action, and (iv) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Lenders pro rata and the Equity Interests and/or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action.

9.10 Collateral and Guaranty Matters. Without limiting the provisions of Section 9.09, each of the Lenders (including in its capacities as a potential Cash Management Bank and a potential Hedge Bank) and the L/C Issuer irrevocably authorize the Administrative Agent, at its option and in its discretion,

(a) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon termination of the Aggregate Commitments and payment in full of all Obligations (other than (A) contingent indemnification obligations and (B) obligations and liabilities under Secured Cash Management Agreements and Secured Hedge Agreements as to which arrangements satisfactory to the applicable Cash Management Bank or Hedge Bank shall have been made) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which Cash Collateral has been provided in accordance with the terms of this Agreement or other arrangements satisfactory to the Administrative Agent and the L/C Issuer shall have been made), (ii) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder or under any other Loan Document, or (iii) subject to Section 10.01, if approved, authorized or ratified by the Required Lenders;

(b) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.01(i); and

(c) to release any Guarantor from its obligations under the Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder or under the other Loan Documents or if such release is approved, authorized or ratified by the requisite Lenders in accordance with Section 10.01.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 9.10. In each case as specified in this Section 9.10, the Administrative Agent will, at the Borrower's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Collateral Documents or to subordinate its interest in such item, or to release such Guarantor from its obligations under the Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.10.

The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

9.11 Secured Cash Management Agreements and Secured Hedge Agreements. No Cash Management Bank or Hedge Bank that obtains the benefits of Section 8.03, any Guaranty or any Collateral by virtue of the provisions hereof or of any Guaranty or any Collateral Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article IX to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Secured Cash Management Agreements and Secured Hedge Agreements unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Cash Management Bank or Hedge Bank, as the case may be.

9.12 Intercreditor and Subordination Agreements. The Lenders hereby irrevocably authorize the Administrative Agent to enter into each intercreditor agreement and each subordination agreement as may be expressly contemplated by the terms of this Agreement (on such terms and conditions prescribed by this Agreement), and agree to be bound by the provisions of such intercreditor agreements and such subordination agreements.

ARTICLE X MISCELLANEOUS

10.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

- (a) waive any condition set forth in Section 4.01(a), without the written consent of each Lender;
- (b) extend or increase the Revolving Credit Commitment of any Revolving Credit Lender (or reinstate any Revolving Credit Commitment terminated pursuant to Section 8.02) without the written consent of such Revolving Credit Lender;
- (c) (i) extend or increase the Term Commitment of any Term Lender (or reinstate any Term Commitment terminated pursuant to Section 8.02) without the written consent of such Term Lender, or (ii) amend or otherwise modify the definition of Required Term Loan Availability Period, in each case, without the written consent of each Term Lender;
- (d) change the dates set forth in Section 7.02(h)(ix), without the written consent of the Required Term Lenders;
- (e) postpone any date fixed by this Agreement or any other Loan Document for any payment (excluding mandatory prepayments) of principal, interest, fees or other amounts due to the Lenders (or any of them) without the written consent of each Lender directly affected thereby;
- (f) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (iv) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary (i) to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest or Letter of Credit Fees at the Default Rate or (ii) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or L/C Borrowing or to reduce any fee payable hereunder;
- (g) change (i) Section 8.03 or Section 2.13 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender, (ii) Section 2.15(a), (iv), or (ii) the order of application of any reduction in the Commitments or any prepayment of Loans from the application thereof set forth in the applicable provisions of Section 2.06, 2.05(a) or 2.05(c), respectively, in any manner that materially and adversely affects the Lenders under a Facility without the written consent of (x) if such Facility is the Term Facility, the Required Term Lenders and (y) if such Facility is the Revolving Credit Facility, the Required Revolving Lenders;
- (h) change (i) any provision of this Section 10.01 or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder (other than the definitions specified in clause (ii) of this Section 10.01(h)), without the written consent of each Lender or (ii) the definition of "Required Revolving Lenders" or "Required Term Lenders" without the written consent of each Lender under the applicable Facility;
- (i) release all or substantially all of the Collateral in any transaction or series of related transactions, without the written consent of each Lender;
- (j) release all or substantially all of the value of the Guaranty without the written consent of each Lender, except to the extent the release of any Guarantor is permitted pursuant to Section 9.10 (in which case such release may be made by the Administrative Agent acting alone); or
- (k) impose any greater restriction on the ability of any Lender under a Facility to assign any of its rights or obligations hereunder without the written consent of (i) if such Facility is the Term Facility, the Required Term Lenders and (ii) if such Facility is the Revolving Credit Facility, the Required Revolving Lenders; and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by the L/C Issuer in addition to the Lenders required above, affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (iii) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; and (iv) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding any provision herein to the contrary, this Agreement may be amended with the written consent of the Required Lenders, the Administrative Agent and the Borrower to provide for any Indebtedness permitted under Section 7.03(i) on customary terms and conditions which are reasonably acceptable to the parties (such amendment, the "Convertible Note Amendment"), provided that, so long as such Convertible Note Amendment shall be limited to such necessary revisions to permit the terms of such Indebtedness, (x) Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to enter into such Convertible Note Amendment and (y) the Lenders agree that no amendment fees, arrangement fees, upfront fees or other similar bank fees shall be charged to the Borrower or any of its Subsidiaries in connection with the preparation, negotiation, execution and delivery of such Convertible Note Amendment.

10.02 Notices; Effectiveness; Electronic Communication.

(a) **Notices Generally.** Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

- (i) if to the Borrower or any other Loan Party, the Administrative Agent, the L/C Issuer or the Swing Line Lender, to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and
- (ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below shall be effective as provided in such subsection (b).

(b) **Electronic Communications.** Notices and other communications to the Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the L/C Issuer pursuant to Article II if such Lender or the L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Swing Line Lender, the L/C Issuer or the Borrower (on behalf of the Loan Parties) may each, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an email address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) **The Platform.** THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any other Loan Party, any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's, any other Loan Party's or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to any Borrower, any Lender, any L/C Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) **Change of Address, Etc.** Each of the Borrower (on behalf of the Loan Parties), the Administrative Agent, the L/C Issuer and the Swing Line Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the Borrower, the Administrative Agent, the L/C Issuer and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States Federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(e) **Reliance by Administrative Agent, L/C Issuer and Lenders.** The Administrative Agent, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic or electronic Committed Loan Notices, Letter of Credit Applications and Swing Line Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

10.03 No Waiver; Cumulative Remedies; Enforcement. No failure by any Lender, the L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 8.02 for the benefit of all the Lenders and the L/C Issuer; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) the L/C Issuer or the Swing Line Lender from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 10.08 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 8.02 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

10.04 Expenses; Indemnity; Damage Waiver.

(a) **Costs and Expenses.** The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of one counsel for the Administrative Agent and, if reasonably necessary, a single local counsel for the Administrative Agent in each relevant jurisdiction), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by the L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all out-of-pocket expenses incurred by the Administrative Agent, any Lender or the L/C Issuer (including the fees, charges and disbursements of any counsel for the Administrative Agent, any Lender or the L/C Issuer), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) **Indemnification by the Borrower.** The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and the L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of counsel for the Indemnitee, including the allocated cost of internal counsel), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower or any other Loan Party) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents (including in respect of any matters addressed in Section 3.01), (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower or such other Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. Without limiting the provisions of Section 3.01(c), this Section 10.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) **Reimbursement by Lenders.** To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the L/C Issuer, the Swing Line Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the L/C Issuer, the Swing Line Lender or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender), such payment to be made severally among them based on such Lenders' such Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided, further that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the L/C Issuer or the Swing Line Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the L/C Issuer or the Swing Line Lender in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) **Waiver of Consequential Damages, Etc.** To the fullest extent permitted by applicable law, the Borrower shall not assert, and hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) **Payments.** All amounts due under this Section shall be payable not later than ten (10) Business Days after demand therefor.

(f) **Survival.** The agreements in this Section and the indemnity provisions of Section 10.02(e) shall survive the resignation of the Administrative Agent, the L/C Issuer and the Swing Line Lender, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

10.05 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent, the L/C Issuer or any Lender, or the Administrative Agent, the L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, the L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and the L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

10.06 Successors and Assigns.

(a) **Successors and Assigns Generally.** The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuer and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders.** Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment(s) and the Loans (including for purposes of this subsection (b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it); **provided** that any such assignment shall be subject to the following conditions:

(i) **Minimum Amounts.**

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment(s) and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in **paragraph (b)(i)(B)** of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment(s) (which for this purpose includes Loans outstanding thereunder) or, if the Commitment(s) are not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) **Proportionate Amounts.** Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment(s) assigned, except that this clause (ii) shall not apply to the Swing Line Lender's rights and obligations in respect of Swing Line Loans;

(iii) **Required Consents.** No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (1) any Revolving Credit Commitment or a Term Commitment, if such assignment is to a Person that is not a Lender with a Commitment in respect of the applicable Facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender, or (2) any Term Loans to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the consent of the L/C Issuer and the Swing Line Lender shall be required for any assignment in respect of the Revolving Credit Facility (such consent not to be unreasonably withheld or delayed).

(iv) **Assignment and Assumption.** The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500; **provided, however**, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) **No Assignment to Certain Persons.** No such assignment shall be made (A) to the Borrower or any of the Borrower's Affiliates or Subsidiaries, or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to a natural Person.

(vi) **Certain Additional Payments.** In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of **Sections 3.01, 3.04, 3.05 and 10.04** with respect to facts and circumstances occurring prior to the effective date of such assignment; **provided**, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) **Register.** The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's Office in the United States a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) **Participations.** Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment(s) and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); **provided** that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the

Borrower, the Administrative Agent, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under [Section 10.04\(c\)](#), without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to [Section 10.01](#) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of [Sections 3.01](#), [3.04](#) and [3.05](#) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to [subsection \(b\)](#) of this Section (it being understood that the documentation required under [Section 3.01\(g\)](#) shall be delivered to the Lender who sells the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to [subsection \(b\)](#) of this Section; provided that such Participant (A) agrees to be subject to the provisions of [Sections 3.06](#) and [10.13](#) as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under [Sections 3.01](#) or [3.04](#), with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of [Section 3.06](#) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of [Section 10.08](#) as though it were a Lender; provided that such Participant agrees to be subject to [Section 2.13](#) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "[Participant Register](#)"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) **Certain Pledges.** Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) **Resignation as L/C Issuer or Swing Line Lender after Assignment.** Notwithstanding anything to the contrary contained herein, if at any time Bank of America assigns all of its Revolving Credit Commitment and Revolving Credit Loans pursuant to [subsection \(b\)](#) above, Bank of America may, (i) upon thirty (30) days' notice to the Borrower and the Lenders, resign as L/C Issuer and/or (ii) upon thirty (30) days' notice to the Borrower, resign as Swing Line Lender. In the event of any such resignation as L/C Issuer or Swing Line Lender, the Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swing Line Lender hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of Bank of America as L/C Issuer or Swing Line Lender, as the case may be. If Bank of America resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to [Section 2.03\(c\)](#)). If Bank of America resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to [Section 2.04\(c\)](#). Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (b) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Bank of America to effectively assume the obligations of Bank of America with respect to such Letters of Credit.

10.07 Treatment of Certain Information; Confidentiality. Each of the Administrative Agent, the Lenders and the L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or any Eligible Assignee invited to be a Lender pursuant to [Section 2.15](#) or (ii) any actual or prospective counterparty (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreements or payments hereunder, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Borrower or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Lender, the L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower

For purposes of this Section, "[Information](#)" means all information received from any Loan Party or any Subsidiary thereof relating to any Loan Party or any Subsidiary thereof or their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or the L/C Issuer on a nonconfidential basis prior to disclosure by any Loan Party or any Subsidiary thereof, provided that, in the case of information received from a Loan Party or any such Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Lenders and the L/C Issuer acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

10.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or the L/C Issuer or their respective Affiliates, irrespective of whether or not such Lender, L/C Issuer or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unperfected or are owed to a branch, office or Affiliate of such Lender or the L/C Issuer different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided, that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of [Section 2.15](#) and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the L/C Issuer and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff and application. Notwithstanding the provisions of this [Section 10.08](#), if at any time any Lender, the L/C Issuer or any of their respective Affiliates maintains one or more deposit accounts for the Borrower or any other Loan Party into which Medicare and/or Medicaid receivables are deposited, such Person shall waive the right of setoff set forth herein.

10.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

10.10 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent or the L/C Issuer, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in [Section 4.01](#), this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic imaging means (e.g. "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement.

10.11 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default or Event of Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

10.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this [Section 10.12](#), if and to the

extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the L/C Issuer or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.13 Replacement of Lenders. If the Borrower is entitled to replace a Lender pursuant to the provisions of Section 3.06, or if any Lender is a Defaulting Lender or a Non-Consenting Lender or if any other circumstance exists hereunder that gives the Borrower the right to replace a Lender as a party hereto, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

- (a) the Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 10.06(b);
- (b) such Lender shall have received payment of an amount equal to 100% of the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);
- (c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;
- (d) such assignment does not conflict with applicable Laws; and
- (e) in the case of an assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

10.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK; PROVIDED THAT THE LAWS OF THE PROVINCE OF ONTARIO SHALL APPLY FOR PURPOSES OF INTERPRETING SECTION 7.02(h)(iv) AND DETERMINING WHETHER ANY CONDITIONS RELATING TO THE TARGET ACQUISITION AGREEMENT REPRESENTATIONS HAVE BEEN SATISFIED.

(b) SUBMISSION TO JURISDICTION. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT, ANY LENDER, THE L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTION RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT, ANY LENDER OR THE L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

10.15 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.16 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each of the Borrower and each other Loan Party acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Arrangers and the Lenders are arm's-length commercial transactions between the Borrower, each other Loan Party and their respective Affiliates, on the one hand, and the Administrative Agent, the Arrangers, and the Lenders on the other hand, (B) each of the Borrower and the other Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower and each other Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, the Arrangers and each Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower, any other Loan Party or any of their respective Affiliates, or any other Person and (B) neither the Administrative Agent, any Arranger, nor any Lender has any obligation to the Borrower, any other Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Arrangers and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, the other Loan Parties and their respective Affiliates, and neither the Administrative Agent, any Arranger, nor any Lender has any obligation to disclose any of such interests to the Borrower, any other Loan Party or any of their respective Affiliates. To the fullest extent permitted by law, each of the Loan Parties hereby waives and releases any claims that it may have against the Administrative Agent, any Arranger and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

10.17 Electronic Execution of Assignments and Certain Other Documents. The words "execute," "execution," "signed," "signature," and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

10.18 USA PATRIOT Act. Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the Act. The Borrower shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable "know your customer" an anti-money laundering rules and regulations, including the Act.

10.19 ENTIRE AGREEMENT. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

Borrower:

EMERGENT BIOSOLUTIONS INC.

By: /s/ ROBERT KRAMER
Name: Robert Kramer
Title: Chief Financial Officer and Treasurer

Guarantors:

**EMERGENT BIODEFENSE OPERATIONS LANSING LLC
EMERGENT MANUFACTURING OPERATIONS MERIDEN LLC
EMERGENT COMMERCIAL OPERATIONS FREDERICK INC.
EMERGENT INTERNATIONAL INC.
EMERGENT PRODUCT DEVELOPMENT GAITHERSBURG INC.
EMERGENT PRODUCT DEVELOPMENT SEATTLE, LLC
EMERGENT EUROPE INC.
EMERGENT PROTECTIVE PRODUCTS USA INC.**

By: /s/ ROBERT KRAMER
Name: Robert Kramer
Title: Treasurer

**EMERGENT FREDERICK LLC
EMERGENT MANUFACTURING OPERATIONS BALTIMORE LLC
EMERGENT SALES AND MARKETING US LLC**

By: /s/ ROBERT KRAMER
Name: Robert Kramer
Title: Executive Manager

400 PROFESSIONAL LLC

By: /s/ ROBERT KRAMER
Name: Robert Kramer
Title: Vice President

**BANK OF AMERICA, N.A., as
Administrative Agent**

By: /s/ ERIK M. TRUETTE
Name: Erik M. Truette
Title: Assistant Vice President

BANK OF AMERICA, N.A., as a Lender, L/C Issuer and Swing Line Lender

By: /s/ LINDA ALTO
Name: Linda Alto
Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ DOUGLAS BROWN
Name: Douglas Brown
Title: Senior Vice President

JPMORGAN CHASE BANK, N.A., as a Lender

By: /s/ ANTHONY GALEA
Name: Anthony Galea
Title: Vice President

Bank of America/EBSI
List of Company-Prepared Schedules - Credit Agreement

Schedule 1.01(s)(i)	Specified Candidate Program
Schedule 1.01(s)(ii)	Specified Indebtedness
Schedule 1.01(s)(iii)	Specified Subsidiary
Schedule 5.05	Supplement to Interim Financial Statements
Schedule 5.08(b)	Existing Liens
Schedule 5.08(c)	Owned Real Property; Mortgaged Property
Schedule 5.08(d)	Existing Investments
Schedule 5.09	Environmental Matters
Schedule 5.12(e)	Pension Plans
Schedule 5.13	Subsidiaries and Other Equity Investments; Loan Parties
Schedule 7.03	Existing Indebtedness
Schedule 7.09	Burdensome Agreements

Schedule 1.01(s)(i)

Specified Candidate Program

Anthravig™
(Human Anthrax Immunoglobulin)

PreviThrax™
(Recombinant Protective Antigen Anthrax Vaccine, Purified)

NuThrax™
(Anthrax Vaccine Adsorbed with CPG 7909 Adjuvant)

Thravixa™
(Fully Human Anthrax Monoclonal Antibody)

ADAPTIR™ Mono-Specific Protein Therapeutic

ADAPTIR™ Multi-Specific Protein Therapeutic

MVAator™ (modified vaccinia virus Ankara vector)

MVA RSV (*Respiratory syncytial virus*)

MVA Flu

Schedule 1.01(s)(ii)

Specified Indebtedness

1. Indebtedness under that certain Construction Loan Agreement, dated as of July 29, 2011, by and among the Borrower, Emergent Manufacturing Operations Baltimore, LLC ("EMOB") and PNC Bank, National Association ("PNC").
 2. Indebtedness under that certain Loan and Security Agreement, dated as of August 3, 2011, by and among the Borrower, EMOB and PNC.
 3. Indebtedness under that certain Loan Agreement, dated as of November 3, 2009, by and among the Borrower, Emergent Product Development Gaithersburg Inc. and HSBC Realty Credit Corporation (USA) ("HSBC").
 4. Indebtedness under that certain Loan Agreement, dated as of December 20, 2009, by and among the Borrower, Emergent BioDefense Operations Lansing LLC (formerly Emergent BioDefense Operations Lansing Inc.) and HSBC.
-

Schedule 1.01(s)(iii)

Specified Subsidiary

Emergent Manufacturing Operations Meriden LLC

Emergent Sales and Marketing US LLC

Emergent Commercial Operations Frederick Inc.

Emergent Frederick LLC

Schedule 2.01

Commitments and Applicable Percentages

Lender	Term Commitment	Revolving Credit Commitment	Applicable Term Percentage	Applicable Revolving Credit Percentage
Bank of America, N.A.	\$47,222,222.22	\$37,777,777.78	37.77777778%	37.77777778%
PNC Bank, National Association	\$41,666,666.67	\$33,333,333.33	33.33333333%	33.33333333%
JPMorgan Chase Bank, N.A.	\$36,111,111.11	\$28,888,888.89	28.88888889%	28.88888889%
Total	\$125,000,000.00	\$100,000,000.00	100.00000000%	100.00000000%

Schedule 5.05

Supplement to Interim Financial Statements

None.

Schedule 5.08(b)

Existing Liens

None.

Schedule 5.08(c)

Owned Real Property; Mortgaged Property

<u>Address</u>	<u>Book Value</u>	<u>Estimated Fair Value</u>	<u>Record Owner</u>	<u>Mortgaged Property (Y/N)</u>
3500 N. Martin Luther King Jr. Blvd. Lansing, MI 48906 Ingham County	\$33,805,000.00	\$33,805,000.00	Emergent BioDefense Operations Lansing LLC	Y
300 Professional Drive Gaithersburg, Maryland 20879 Montgomery County	\$13,393,000.00	\$13,393,000.00	Emergent Product Development Gaithersburg Inc.	N
400 Professional Drive Gaithersburg, Maryland 20879 Montgomery County	\$10,500,000.00	\$10,500,000.00	400 Professional LLC	N
5901 East Lombard Street Baltimore, Maryland 21224 Baltimore County	\$33,220,000.00	\$33,220,000.00	Emergent Manufacturing Operations Baltimore LLC	Y
Dewitt Road Agricultural Land Dewitt, MI 48906 Clinton County	-	93,000	Emergent BioDefense Operations Lansing LLC	N
16930 S. Dewitt Road Dewitt, MI, 48906 Clinton County	\$414,000.00	\$414,000.00	Emergent BioSolutions Inc.	Y

Schedule 5.08(d)

Existing Investments

None.

Schedule 5.09

Environmental Matters

5901 E. Lombard Street, Baltimore, Maryland

The subject property is listed on available databases within a numerical range of street addresses under Cambrex Bioscience as both a U.S. Brownfields site and a Maryland Brownfields site. A No Further Requirements Determination was issued for this property by the Maryland Department of the Environment in June, 2010.

3500 North Martin Luther King, Jr. Boulevard, Lansing, Michigan

A 1998 baseline environmental assessment identified the presence of a 50,000 gallon underground storage tank (UST) on the Lansing property. The UST was on the former power station site for the state facility in the 1950/1960 - 1998 timeframe and contained #2 oil. The UST was removed in 1998; however, contaminated soil made it a leaking UST (LUST). The site was listed on the State of Michigan Department of Natural Resources & Environment (DNRE) LUST inventory database. On March 9, 2011, the facility was notified by letter that the DNRE had issued a closure report for this site with unrestricted use based on a Tier 1 residential evaluation.

Schedule 5.12(e)

Pension Plans

None.

Subsidiaries and Other Equity Investments; Loan Parties

Part (a) Subsidiaries of each Loan Party

Subsidiary	Owner	Percentage Equity Ownership	Shares	Certificated (Y/N)
Emergent BioDefense Operations Lansing LLC**	Emergent BioSolutions Inc.	100%	6,262,554	N
Emergent Product Development Gaithersburg Inc.**	Emergent BioSolutions Inc.	100%	100	Y
Emergent Commercial Operations Frederick Inc.**	Emergent BioSolutions Inc.	100%	100	Y
Emergent International Inc.**	Emergent BioSolutions Inc.	100%	100	Y
Emergent Europe Inc.**	Emergent International Inc.	51%	51	Y
	Emergent Commercial Operations Frederick Inc.	49%	49	Y
Emergent Frederick LLC**	Emergent BioSolutions Inc.	100%	N/A	N
Emergent Sales and Marketing US LLC**	Emergent BioSolutions Inc.	100%	N/A	N
Emergent Manufacturing Operations Meriden LLC**	Emergent BioSolutions Inc.	100%	N/A	N
Emergent Manufacturing Operations Baltimore LLC**	Emergent BioSolutions Inc.	100%	N/A	N
Emergent Product Development Seattle, LLC**	Emergent BioSolutions Inc.	100%	N/A	N
400 Professional LLC**	Emergent BioSolutions Inc.	100%	N/A	N
Emergent Protective Products USA Inc.**	Emergent BioSolutions Inc.	100%	100	Y
Emergent Protective Products Canada ULC	Emergent BioSolutions Inc.	100%	100	N
EPIC Bio Pte. Limited	Emergent BioSolutions Inc.	100%	1,520,000	N
Emergent BioSolutions Malaysia SDN. BHD.	Emergent International Inc.	100%	2	N
Emergent Product Development Germany GmbH	Emergent International Inc.	100%	4	N
Emergent Sales and Marketing Australia Pty Limited	Emergent Europe Inc.	100%	1	N
Emergent Holding Asia Pte. Ltd.	Emergent Europe Inc.	100%	100	N
Emergent Sales and Marketing Singapore Pte. Ltd.	Emergent Europe Inc.	100%	100	N
Emergent Sales and Marketing Germany GmbH	Emergent Europe Inc.	100%	2	N
Emergent Product Development UK Limited	Emergent Europe Inc.	100%	93,569,310	N
Emergent Global Health Foundation Limited	Emergent Product Development UK Limited	100%	N/A	N
Oxford Emergent Tuberculosis Consortium Limited	Emergent Product Development UK Limited	51%	5100	N

**Denotes Guarantor

Part (b) Equity Investments owned by any Loan Party

None.

Part (d) Jurisdiction, Principal Place of Business and U.S. Taxpayer ID Numbers or Organizational ID Numbers

Loan Party	Jurisdiction of Formation	Principal Place of Business	U.S. Taxpayer ID Number or, if none, State-Issued Organizational ID
Emergent BioSolutions Inc.	Delaware	2273 Research Boulevard, Suite 400 Rockville, Maryland 20850	14-1902018
Emergent BioDefense Operations Lansing LLC**	Delaware	3500 N. Martin Luther King Jr. Blvd. Lansing, Michigan 48906	38-3412788
Emergent Commercial Operations Frederick Inc.**	Maryland	2273 Research Boulevard, Suite 400 Rockville, Maryland 20850	20-1060348
Emergent Europe Inc.**	Delaware	2273 Research Boulevard, Suite 400 Rockville, Maryland 20850	20-2962573
Emergent Frederick LLC**	Maryland	2273 Research Boulevard, Suite 400 Rockville, Maryland 20850	20-4616299
Emergent International Inc.**	Delaware	2273 Research Boulevard, Suite 400 Rockville, Maryland 20850	20-2469612
Emergent Manufacturing Operations Baltimore LLC**	Delaware	5901 East Lombard Street Baltimore, Maryland 21224	27-0887093
Emergent Manufacturing Operations Meriden LLC**	Delaware	2273 Research Boulevard, Suite 400 Rockville, Maryland 20850	4512317
Emergent Product Development Gaithersburg Inc.**	Delaware	300 Professional Drive, Suite 100 Gaithersburg, Maryland 20879	16-1666785
Emergent Product Development Seattle, LLC**	Delaware	2401 4th Ave., Suite 1050 Seattle, Washington 98121	52-2385898
Emergent Protective Products USA Inc.**	Delaware	305 College Road East Princeton, New Jersey 08540	38-3907269
Emergent Sales and Marketing US LLC**	Delaware	2273 Research Boulevard, Suite 400 Rockville, Maryland 20850	42-1720209
400 Professional LLC**	Delaware	2273 Research Boulevard, Suite 400 Rockville, Maryland 20850	46-1931658

**Denotes Guarantor

Schedule 7.03

Existing Indebtedness

None.

Schedule 7.09

Burdensome Agreements

None.

Schedule 10.02

Administrative Agents Office,

Certain Addresses for Notices

EMERGENT BIOSOLUTIONS INC.:

Emergent BioSolutions Inc.
2273 Research Boulevard, Suite 400
Rockville, Maryland 20850
Attention: General Counsel
Telephone: 301-795-1800
Telecopier: 301-795-1850
Website Address: www.emergentbiosolutions.com
U.S. Taxpayer Identification Number: 14-1902018

ADMINISTRATIVE AGENT:

Administrative Agent's Office
(for payments and Requests for Credit Extensions):
Bank of America, N.A.
Street Address: One Independence Center, 101 North Tryon Street
Mail Code: NC1-001-05-46
City, State ZIP Code: Charlotte, NC 28255-0001
Attention: Jennifer Thayer
Telephone: 980-388-3254
Telecopier: 704-409-0486
Electronic Mail: jennifer.thayer@baml.com
Account No.1366212250600
Ref: Emergent BioSolutions Inc.
ABA# 026009593

Other Notices as Administrative Agent:

Bank of America, N.A.
Agency Management
Street Address: Bank of America Plaza, 101 South Tryon Street
Mail Code: NC1-002-15-36
City, State ZIP Code: Charlotte, NC 28255-0001
Attention: Erik M. Truette
Telephone: 980-387-5451
Telecopier: 704-409-0015
Electronic Mail: erik.m.truette@baml.com

L/C ISSUER:

Bank of America, N.A.
Trade Operations
Street Address: 1 Fleet Way
Mail Code: PA6-580-02-30
City, State Zip Code: Scranton, PA 18507-1999
Attention: Charles P. Herron
Telephone: 570.496-9564
Telecopier: 800.755.8743
Electronic Mail: charles.p.herron@baml.com

SWING LINE LENDER:

Bank of America, N.A.
Street Address: One Independence Center, 101 North Tryon Street
Mail Code: NC1-001-05-46
City, State ZIP Code: Charlotte, NC 28255-0001
Attention: Jennifer Thayer
Telephone: 980-388-3254
Telecopier: 704-409-0486
Electronic Mail: jennifer.thayer@baml.com
Account No.1366212250600
Ref: Emergent BioSolutions Inc.
ABA# 026009593

FORM OF COMMITTED LOAN NOTICE

Date: _____, _____

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of December 11, 2013 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among **EMERGENT BIOSOLUTIONS INC.**, a Delaware corporation (the "Borrower"), each Domestic Subsidiary of the Borrower from time to time party thereto as a Guarantor, each lender from time to time party thereto (collectively, the "Lenders" and individually, a "Lender"), and **BANK OF AMERICA, N.A.**, as Administrative Agent, Swing Line Lender and L/C Issuer.

The undersigned hereby requests (select one):

A Borrowing of [Revolving Credit Loans][Term Loans]

A conversion or continuation of [Revolving Credit Loans][Term Loans]

1. On _____ (a Business Day).

2. In the principal amount of \$ _____.

3. Comprised of (select one):

Base Rate Loans

Eurodollar Rate Loans

4. For Eurodollar Rate Loans: with an Interest Period of _____ months.¹

The undersigned Borrower hereby represents and warrants that (i) the conditions specified in Sections 4.02(a), [and] (b) [and] (d)² of the Agreement have been satisfied on as of the date of the applicable Credit Extension and (ii) the Revolving Credit Borrowing, if any, requested herein complies with the provisos to the first sentence of Section 2.01(a) of the Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned Borrower has executed and delivered this Committed Loan Notice as of the date first written above.

EMERGENT BIOSOLUTIONS INC.

By:

Name:

Title:

¹ Select 1, 2, 3 or 6 months.² Insert if Loan Notice is delivered in respect of Target Acquisition Credit Extensions.

FORM OF SWING LINE LOAN NOTICE

Date: _____, _____, _____

To: Bank of America, N.A., as Swing Line Lender
Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of December 11, 2013 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement," the terms defined therein being used herein as therein defined), among **EMERGENT BIOSOLUTIONS INC.**, a Delaware corporation (the "Borrower"), each Domestic Subsidiary of the Borrower from time to time party thereto as a Guarantor, each lender from time to time party thereto (collectively, the "Lenders" and individually, a "Lender"), and **BANK OF AMERICA, N.A.**, as Administrative Agent, Swing Line Lender and L/C Issuer.

The undersigned hereby requests a Swing Line Loan:

1. On _____ (a Business Day).
2. In the principal amount of \$ _____.

The undersigned Borrower hereby represents and warrants that (i) the conditions specified in Sections 4.02(a) and (b) of the Agreement have been satisfied on as of the date of the applicable Credit Extension and (ii) the Swing Line Borrowing requested herein complies with the requirements of the proviso to the first sentence of Section 2.04(a) of the Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned Borrower has executed and delivered this Swing Line Loan Notice as of the date first written above

EMERGENT BIOSOLUTIONS INC.

By:

Name:

Title:

FORM OF REVOLVING NOTE

[_____, ____]

FOR VALUE RECEIVED, the undersigned (the "Borrower"), hereby promises to pay to _____ or registered assigns (the "Lender"), in accordance with the provisions of the Agreement (as hereinafter defined), the principal amount of each Revolving Credit Loan from time to time made by the Lender to the Borrower under that certain Credit Agreement, dated as of December 11, 2013 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement," the terms defined therein being used herein as therein defined), among the Borrower, each Domestic Subsidiary of the Borrower from time to time party thereto as a Guarantor, the financial institutions (including the Lender) from time to time party thereto as lenders, and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer.

The Borrower promises to pay interest on the unpaid principal amount of each Revolving Credit Loan from the date of such Revolving Credit Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. Except as otherwise provided in Section 2.04(f) of the Agreement with respect to Swing Line Loans, all payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Revolving Note is one of the Revolving Notes referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Revolving Note is also entitled to the benefits of the Guaranty and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Revolving Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. Revolving Credit Loans made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Revolving Note and endorse thereon the date, amount and maturity of its Revolving Credit Loans and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Revolving Note.

[Remainder of Page Left Intentionally Blank]

THIS REVOLVING NOTE AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS REVOLVING NOTE AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

EMERGENT BIOSOLUTIONS INC.

By:
Name:
Title:

LOANS AND PAYMENTS WITH RESPECT THERETO

Date	Type of Loan Made	Amount of Loan Made	End of Interest Period	Amount of Principal or Interest Paid This Date	Outstanding Principal Balance This Date	Notation Made By
------	-------------------	---------------------	------------------------	---	--	------------------

FORM OF TERM NOTE

[_____, ____]

FOR VALUE RECEIVED, the undersigned (the "Borrower"), hereby promises to pay to _____ or registered assigns (the "Lender"), in accordance with the provisions of the Agreement (as hereinafter defined), the principal amount of the Term Loan made by the Lender to the Borrower under that certain Credit Agreement, dated as of December 11, 2013 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement;" the terms defined therein being used herein as therein defined), among the Borrower, each Domestic Subsidiary of the Borrower from time to time party thereto as a Guarantor, the financial institutions (including the Lender) from time to time party thereto as lenders, and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer.

The Borrower promises to pay interest on the unpaid principal amount of the Term Loan from the date of such Term Loan until such principal amount is paid in full, at such interest rates and at such times as provided in the Agreement. All payments of principal and interest shall be made to the Administrative Agent for the account of the Lender in Dollars in immediately available funds at the Administrative Agent's Office. If any amount is not paid in full when due hereunder, such unpaid amount shall bear interest, to be paid upon demand, from the due date thereof until the date of actual payment (and before as well as after judgment) computed at the per annum rate set forth in the Agreement.

This Term Note is one of the Term Notes referred to in the Agreement, is entitled to the benefits thereof and may be prepaid in whole or in part subject to the terms and conditions provided therein. This Term Note is also entitled to the benefits of the Guaranty and is secured by the Collateral. Upon the occurrence and continuation of one or more of the Events of Default specified in the Agreement, all amounts then remaining unpaid on this Term Note shall become, or may be declared to be, immediately due and payable all as provided in the Agreement. The Term Loan made by the Lender shall be evidenced by one or more loan accounts or records maintained by the Lender in the ordinary course of business. The Lender may also attach schedules to this Term Note and endorse thereon the date, amount and maturity of its Term Loan and payments with respect thereto.

The Borrower, for itself, its successors and assigns, hereby waives diligence, presentment, protest and demand and notice of protest, demand, dishonor and non-payment of this Term Note.

[Remainder of Page Left Intentionally Blank]

THIS TERM NOTE AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS TERM NOTE AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

EMERGENT BIOSOLUTIONS INC.

By:
Name:
Title:

LOANS AND PAYMENTS WITH RESPECT THERETO

Date	Type of Loan Made	Amount of Loan Made	End of Interest Period	Amount of Principal or Interest Paid This Date	Outstanding Principal Balance This Date	Notation Made By
------	-------------------	---------------------	------------------------	---	--	------------------

FORM OF COMPLIANCE CERTIFICATE

Financial Statement Date: _____, _____

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of December 11, 2013 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Agreement," the terms defined therein being used herein as therein defined), among **EMERGENT BIOSOLUTIONS INC.**, a Delaware corporation (the "Borrower"), each Domestic Subsidiary of the Borrower from time to time party thereto as a Guarantor, each lender from time to time party thereto (collectively, the "Lenders" and individually, a "Lender"), and **BANK OF AMERICA, N.A.**, as Administrative Agent, Swing Line Lender and L/C Issuer.

The undersigned Responsible Officer³ hereby certifies as of the date hereof that he/she is the[] of the Borrower, and that, as such, he/she is authorized to execute and deliver this Certificate to the Administrative Agent on the behalf of the Borrower, and that:⁴

[Use following paragraph 1 for fiscal year-end financial statements]

1. The Borrower has delivered the year-end audited financial statements required by Section 6.01(a) of the Agreement for the fiscal year of the Borrower ended as of the above date, together with the report of an independent certified public accountant required by such section.

[Use following paragraph 1 for fiscal quarter-end financial statements]

1. The Borrower has delivered the unaudited financial statements required by Section 6.01(b) of the Agreement for the fiscal quarter of the Borrower ended as of the above date. Such financial statements fairly present the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries in accordance with GAAP as at such date and for such period, subject only to normal year-end audit adjustments and the absence of footnotes.

2. The undersigned has reviewed and is familiar with the terms of the Agreement and has made, or has caused to be made under his/her supervision, a detailed review of the transactions and condition (financial or otherwise) of the Borrower during the accounting period covered by such financial statements.

3. A review of the activities of the Borrower during such fiscal period has been made under the supervision of the undersigned with a view to determining whether during such fiscal period the Borrower performed and observed all its Obligations under the Loan Documents, and

[select one:]

[to the best knowledge of the undersigned, during such fiscal period the Borrower performed and observed each covenant and condition of the Loan Documents applicable to it, and no Default or Event of Default has occurred and is continuing.]

--or--

[to the best knowledge of the undersigned, during such fiscal period the following covenants or conditions have not been performed or observed and the following is a list of each such Default and/or Event of Default and its nature and status:]

4. The representations and warranties of the Borrower and each other Loan Party contained in Article V of the Agreement and in each other Loan Document, or which are contained in any document furnished at any time under or in connection with any Loan Document, are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), and except that for purposes of this Compliance Certificate, the representations and warranties contained in subsections (a) and (b) of Section 5.05 of the Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 of the Agreement, including the statements in connection with which this Compliance Certificate is delivered.

5. The financial covenant analyses and information set forth on Schedule 1 attached hereto are true and accurate on and as of the date of this Compliance Certificate.

[Remainder of Page Intentionally Left Blank.]

³ Must be chief executive officer, chief financial officer, treasurer, assistant treasurer or controller of the Borrower.

⁴ With respect to any Compliance Certificate provided pursuant to Section 6.02(a)(ii) of the Agreement, please reference most recent financial statements that have been delivered, with the corresponding Financial Statement Date.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of
, 20__.

EMERGENT BIOSOLUTIONS INC.

By:
Name:
Title:

SCHEDULE I to COMPLIANCE CERTIFICATE

EBITDA and Covenant Calculations

[On file with Administrative Agent]

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (this "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [the][each]⁵ Assignor identified in item 1 below ([the][each, an] "Assignor") and [the][each]⁶ Assignee identified in item 2 below ([the][each, an] "Assignee"). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]⁷ hereunder are several and not joint.]⁸ Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor's][the respective Assignors'] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto in the amount[s] and equal to the percentage interest[s] identified below of all the outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including, without limitation, the Letters of Credit and the Swing Line Loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

[Assignor [is] [is not] a Defaulting Lender]

2. Assignee[s]: _____

[for each Assignee, indicate [Affiliate][Approved Fund] of [identify [Term][Revolving Credit] Lender]]

3. Borrower: Emergent BioSolutions Inc.

4. Administrative Agent: Bank of America, N.A., as the administrative agent under the Credit Agreement

5. Credit Agreement: Credit Agreement, dated as of December 11, 2013, among **EMERGENT BIOSOLUTIONS INC.**, a Delaware corporation (the "Borrower"), each Domestic Subsidiary of the Borrower from time to time party thereto as a Guarantor, each lender from time to time party thereto (collectively, the "Lenders" and individually, a "Lender"), and **BANK OF AMERICA, N.A.**, as Administrative Agent, Swing Line Lender and L/C Issuer.

6. Assigned Interest[s]:

Assignor[s] ⁹	Assignee[s] ¹⁰	Facility Assigned	Aggregate Amount of Commitment/Loans for all Lenders ¹¹	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans ¹²	CUSIP Number
			\$ _____	\$ _____	_____ %	
			\$ _____	\$ _____	_____ %	
			\$ _____	\$ _____	_____ %	

[7. Trade Date: _____]¹³

Effective Date: _____, 20__ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

⁵ For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

⁶ For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

⁷ Select as appropriate.

⁸ Include bracketed language if there are either multiple Assignors or multiple Assignees.

⁹ List each Assignor, as appropriate.

¹⁰ List each Assignee and, if available, its market entity identifier, as appropriate.

¹¹ Amounts in this column and in the column immediately to the right to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

¹² Set forth, to at least 9 decimals, as a percentage of the Commitment of all Lenders thereunder.

¹³ To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]¹⁴
[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE[S]¹⁵
[NAME OF ASSIGNEE]

By: _____
Name:
Title:

[Consented to and] Accepted:

BANK OF AMERICA, N.A., as
Administrative Agent, [Swing Line Lender and L/C Issuer]

By: _____
Name:
Title:

[Consented to:]¹⁶

EMERGENT BIOSOLUTIONS INC., as Borrower

By: _____
Name:
Title:

¹⁴ Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

¹⁵ Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

¹⁶ To be added only if the consent of the Borrower is required by the terms of the Credit Agreement.

**STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION**

1. Representations and Warranties.

1.1. Assignor. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 10.06(b)(iii) and (v) of the Credit Agreement (subject to such consents, if any, as may be required under Section 10.06(b)(iii) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by [the][such] Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire [the][such] Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.01 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) if it is a Foreign Lender, attached hereto is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance upon the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. THIS ASSIGNMENT AND ASSUMPTION AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS ASSIGNMENT AND ASSUMPTION AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

FORM OF ADMINISTRATIVE QUESTIONNAIRE

[On file with Administrative Agent]

**FORM OF
U.S. TAX COMPLIANCE CERTIFICATE**
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of December 11, 2013 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"), among **EMERGENT BIOSOLUTIONS INC.**, a Delaware corporation (the "Borrower"), each Domestic Subsidiary of the Borrower from time to time party thereto as a Guarantor, each lender from time to time party thereto (collectively, the "Lenders" and individually, a "Lender"), and **BANK OF AMERICA, N.A.**, as Administrative Agent, Swing Line Lender and L/C Issuer.

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____
Name: _____
Title: _____
Date: _____, 20[]



**FORM OF
U.S. TAX COMPLIANCE CERTIFICATE**
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of December 11, 2013 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"), among **EMERGENT BIOSOLUTIONS INC.**, a Delaware corporation (the "Borrower"), each Domestic Subsidiary of the Borrower from time to time party thereto as a Guarantor, each lender from time to time party thereto (collectively, the "Lenders" and individually, a "Lender"), and **BANK OF AMERICA, N.A.**, as Administrative Agent, Swing Line Lender and L/C Issuer.

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
 Name: _____
 Title: _____
Date: _____, 20[]



**FORM OF
U.S. TAX COMPLIANCE CERTIFICATE**
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of December 11, 2013 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"), among **EMERGENT BIOSOLUTIONS INC.**, a Delaware corporation (the "Borrower"), each Domestic Subsidiary of the Borrower from time to time party thereto as a Guarantor, each lender from time to time party thereto (collectively, the "Lenders" and individually, a "Lender"), and **BANK OF AMERICA, N.A.**, as Administrative Agent, Swing Line Lender and L/C Issuer.

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: _____
 Name: _____
 Title: _____
Date: _____, 20[]



FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement, dated as of December 11, 2013 (as amended, restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"), among **EMERGENT BIOSOLUTIONS INC.**, a Delaware corporation (the "Borrower"), each Domestic Subsidiary of the Borrower from time to time party thereto as a Guarantor, each lender from time to time party thereto (collectively, the "Lenders" and individually, a "Lender"), and **BANK OF AMERICA, N.A.**, as Administrative Agent, Swing Line Lender and L/C Issuer.

Pursuant to the provisions of Section 3.01(e) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[Remainder of Page Left Intentionally Blank]

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: _____

Name: _____

Title: _____

Date: _____, 20[]

VOTING SUPPORT AGREEMENT

THIS AGREEMENT is made as of December 11, 2013.

BETWEEN:

2396638 Ontario Inc., a corporation existing under the laws of Ontario, Canada (the "Purchaser")

- and -

Apotex Inc., a corporation existing under the laws of Ontario, Canada (the "Securityholder")

- and -

Emergent BioSolutions Inc., a corporation existing under the laws of Delaware, USA (the "Parent")

RECITALS:

1. The Securityholder is the beneficial owner, directly or indirectly, of certain Company Shares.
2. The Securityholder understands that the Company, the Purchaser and the Parent have entered into the Arrangement Agreement.
3. This Agreement sets out, among other things, the terms and conditions of the agreement of the Securityholder to abide by the covenants in respect of the Subject Securities and the other restrictions and covenants set forth herein.
4. The Parent owns all of the outstanding securities of the Purchaser.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Arrangement Agreement. In this Agreement, including the recitals:

"**affiliate**" of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly, and "**control**" and any derivation thereof means the holding of voting securities of another entity sufficient to elect a majority of the board of directors (or the equivalent) of such entity; provided that, notwithstanding the foregoing, the Company and each of its Subsidiaries shall be deemed to not be an affiliate of the Securityholder or any of its affiliates;

"**Arrangement Agreement**" means the arrangement agreement dated December 11, 2013 between the Purchaser, the Company and the Parent, a copy of which is attached to this Agreement as Schedule "B";

"**Company**" means Cangene Corporation, a corporation existing under the laws of the Province of Ontario;

"**Deadline Date**" means (i) if Parent or Purchaser has not commenced an Alternative Transaction prior to June 30, 2014, then June 30, 2014, and (ii) if Parent or Purchaser has commenced an Alternative Transaction prior to June 30, 2014, the earlier of (A) the termination of the Alternative Transaction and (B) July 31, 2014;

"**Expiry Time**" has the meaning ascribed thereto in Section 3.1(a);

"**Governmental Entity**" means any national, supra-national, federal, state, municipal, local or foreign government, or any court, tribunal, arbitrator, administrative agency, commission or other governmental or quasi-governmental authority or instrumentality, including any government-owned or government-controlled enterprise, in each case whether domestic or foreign, any stock exchange or similar self-regulatory organization or any quasi-governmental body exercising any regulatory, taxing or other governmental or quasi-governmental authority;

"**Law**" means all United States or foreign federal, state, national, supra-national, provincial, municipal or local laws, constitutions, statutes, codes, rules, common law, regulations, ordinances, executive orders, treaties, decrees or edicts by a Governmental Entity having the force of law;

"**Notice**" has the meaning ascribed thereto in Section 4.9;

"**Subject Securities**" means the Company Shares currently owned by the Securityholder as specified in Schedule "A" hereto, and any other Company Shares acquired by the Securityholder or any of its affiliates subsequent to the date hereof, and will include all securities which such Subject Securities may be converted into, exchanged for or otherwise changed into;

1.2 Singular; Plural, etc.

In this Agreement, words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.3 Currency

Unless otherwise expressly stated, all references to currency herein will be deemed to be references to U.S. currency.

1.4 Headings, etc.

The division of this Agreement into Articles, Sections and Schedules and the insertion of the recitals and headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement or in the Schedules hereto to Articles, Sections and Schedules refer to Articles, Sections and Schedules of and to this Agreement or of the Schedules in which such reference is made, as applicable.

1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day. In this Agreement, references from or through any date mean, unless otherwise specified, from and including that date and/or through and including that date, respectively.

1.6 Governing Law

This Agreement will be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the laws of Canada applicable therein, and will be construed and treated in all respects as an Ontario contract. Each of the parties hereby irrevocably attorns to the exclusive jurisdiction of the Courts of the Province of Ontario in respect of all matters arising under and in relation to this Agreement.

1.7 Incorporation of Schedules

Each of Schedules "A" and "B" attached hereto, for all purposes hereof, forms an integral part of this Agreement.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of the Securityholder

The Securityholder represents and warrants to the Purchaser and the Parent (and acknowledges that they are relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) the matters set out below:

- (a) The Securityholder has been duly created and is a valid and subsisting corporation under the laws of the Province of Ontario, Canada.
- (b) The Securityholder has all necessary power, authority, capacity and right to enter into this Agreement and to carry out each of its obligations under this Agreement. This Agreement has been duly executed and delivered by the Securityholder and constitutes a legal, valid and binding obligation of the Securityholder enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (c) The Securityholder owns all of the Subject Securities. Other than the Subject Securities, and other Company Shares that are governed by the other Voting Support Agreements being entered into concurrently with this Agreement by the entities and individuals and in the amounts as specified in Schedule A, neither the Securityholder nor any of its affiliates, beneficially own, or exercise control or direction over any additional securities, or any securities convertible or exchangeable into any additional securities, of the Company or any of its affiliates.
- (d) Currently the Securityholder is, and at the time at which the Subject Securities are acquired by the Purchaser under the Arrangement will be, the sole beneficial owner of the Subject Securities, with good and marketable title thereto, free and clear of all Liens.
- (e) The Securityholder has the sole right to sell and vote or direct the sale and voting of the Subject Securities.
- (f) No Person has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of the Subject Securities or any interest therein or right thereto, except the Purchaser pursuant to the Arrangement.
- (g) No consent, approval, order or authorization of, or declaration or filing with, any Person is required to be obtained by the Securityholder in connection with the execution and delivery of this Agreement by the Securityholder and the performance by it of its obligations under this Agreement.
- (h) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Securityholder, threatened against the Securityholder or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Securityholder's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.
- (i) None of the Subject Securities is subject to any proxy, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of any of the Company's securityholders or give consents or approvals of any kind.
- (j) None of the execution and delivery by the Securityholder of this Agreement or the completion of the transactions contemplated hereby or the compliance by the Securityholder with its obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Securityholder; (ii) any contract to which the Securityholder is a party or by which the Securityholder is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Law.

2.2 Representations and Warranties of the Purchaser and Parent

The Purchaser and the Parent jointly and severally represent and warrant to the Securityholder (and acknowledge that the Securityholder is relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) the matters set out below:

- (a) The Purchaser is a corporation duly incorporated and validly existing under the laws of Ontario, Canada and has all necessary corporate power, authority and capacity to enter into this Agreement. The execution and delivery of this Agreement and the performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (b) None of the execution and delivery by the Purchaser of this Agreement or the compliance by the Purchaser with the Purchaser's obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Purchaser; (ii) any contract to which the Purchaser is a party or by which the Purchaser is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Laws.
- (c) No material consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement, the performance by it of its obligations under this Agreement and the consummation by the Purchaser of the Arrangement, other than those which are contemplated by the Arrangement Agreement.
- (d) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Purchaser, threatened against the Purchaser or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Purchaser's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.
- (e) The Parent is a corporation duly incorporated and validly existing under the laws of Delaware, USA and has all necessary corporate power, authority and capacity to enter into this Agreement. The execution and delivery of this Agreement and the performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Parent. This Agreement constitutes a legal, valid and binding obligation of the Parent enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (f) None of the execution and delivery by the Parent of this Agreement or the compliance by the Parent with the Parent's obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Parent; (ii) any contract to which the Parent is a party or by which the Parent is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Laws.
- (g) No material consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by the Parent in connection with the execution and delivery of this Agreement, the performance by it of its obligations under this Agreement and the consummation by the Parent of the Arrangement, other than those which are contemplated by the Arrangement Agreement.
- (h) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Parent, threatened against the Parent or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Parent's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.

ARTICLE 3 COVENANTS

3.1 Covenants of the Securityholder

- (a) The Securityholder hereby covenants with the Purchaser and the Parent that from the date of this Agreement until the earlier of the termination of this Agreement in accordance with its terms and the Effective Time (the "**Expiry Time**"), the Securityholder will not:
 - (i) without having first obtained the prior written consent of the Parent, which consent shall not be unreasonably withheld, sell, transfer, gift, assign, convey, pledge, hypothecate, encumber, option or otherwise dispose of any right or interest in any of the Subject Securities or enter into any agreement, arrangement, commitment or understanding in connection therewith, other than (A) pursuant to the Arrangement or (B) transfers to or between affiliates of the Securityholder (provided that (1) the Securityholder will notify Parent of any such transfer; (2) such

transfer does not relieve the Securityholder of any of its obligations under this Agreement with respect to the Subject Securities; and (3) any affiliate of the Securityholder will be required, in Parent's sole discretion, to enter into an agreement with Purchaser and the Parent substantially in the form of this Agreement with respect to all of such Subject Securities);

- (ii) other than as set forth herein, grant or agree to grant any proxies or powers of attorney, deposit any Subject Securities into a voting trust or pooling agreement, or enter into a voting agreement, commitment, understanding or arrangement, oral or written, with respect to the voting of any Subject Securities; or
 - (iii) requisition or join in the requisition of any meeting of any of the securityholders of the Company for the purpose of considering any resolution.
- (b) The Securityholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to vote (or cause to be voted) all the Subject Securities:
- (i) at any meeting of any of the securityholders of the Company at which the Securityholder is entitled to vote, including the Company Meeting; and
 - (ii) in any action by written consent of the securityholders of the Company,

in favour of the approval, consent, ratification and adoption of the Arrangement Resolution and the transactions contemplated by the Arrangement Agreement (and any actions required for the consummation of the transactions contemplated by the Arrangement Agreement). In connection with the foregoing, subject to this Section 3.1(b), the Securityholder hereby agrees to deposit a proxy, or voting instruction form, as the case may be, duly completed and executed in respect of all of the Subject Securities as soon as practicable following the mailing of the Company Circular and in any event at least 10 calendar days following such mailing, voting all such Subject Securities in favour of the Arrangement Resolution. The Securityholder hereby agrees that it will not take, nor permit any Person on its behalf to take, any action to withdraw, amend or invalidate any proxy or voting instruction form deposited pursuant to this Agreement notwithstanding any statutory or other rights or otherwise which the Securityholder might have unless this Agreement has at such time been previously terminated in accordance with Section 4.1.

- (c) The Securityholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to vote (or cause to be voted) the Subject Securities against any proposed action by the Company, its Shareholders, any of the Company's Subsidiaries or any other Person: (i) in respect of any Acquisition Proposal or Superior Proposal or other merger, take-over bid, amalgamation, plan of arrangement, business combination or similar transaction involving the Company or any Subsidiary of the Company, other than the Arrangement; (ii) which would reasonably be regarded as being directed towards or likely to prevent or delay the successful completion of the Arrangement, including without limitation any amendment to the articles or by-laws of the Company or any of its affiliates or their respective corporate structures; or (iii) any action or agreement that would result in a breach of any representation, warranty, covenant or other obligation of the Company under the Arrangement Agreement if such breach requires Shareholder approval;
- (d) Until the Expiry Time, the Securityholder hereby covenants, undertakes and agrees, in the event that any transaction other than the Arrangement is presented for approval of, or acceptance by, the Shareholders, whether or not it may be recommended by the Company's directors, not to directly or indirectly, (i) accept, knowingly assist or otherwise knowingly further the successful completion of such transaction or (ii) purport to tender or deposit into any such transaction any of the Subject Securities, and, in the event the directors of the Company make a Change in Recommendation, the Securityholder will, if requested by the Parent, publicly affirm its commitment to vote in favour of the Arrangement in accordance with the terms of this Agreement.
- (e) Until the Expiry Time, the Securityholder will not, and will ensure that its affiliates do not, directly or indirectly, through any officer, director, employee, representative or agent or otherwise:
- (i) solicit proxies or become a participant in a solicitation in opposition to or in competition with the Purchaser in connection with the Arrangement;
 - (ii) assist any affiliate or knowingly assist any other Person in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit the Purchaser in connection with the Arrangement;
 - (iii) act jointly or in concert with others with respect to voting securities of the Company for the purpose of opposing or competing with the Purchaser in connection with the Arrangement;
 - (iv) solicit, initiate, knowingly assist, knowingly encourage or otherwise facilitate (including by way of entering into any agreement, arrangement or understanding), any inquiry, proposal or offer relating to any Acquisition Proposal or potential Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement);
 - (v) participate in any discussions or negotiations regarding any Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement);
 - (vi) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement, arrangement or understanding related to any Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement); or
 - (vii) cooperate in any way with, participate in or knowingly assist, knowingly encourage or otherwise facilitate any effort or attempt by any other Person to do or seek to do any of the foregoing.
- (f) The Securityholder will not (i) exercise any dissent rights in respect of the Arrangement; or (ii) take any other action of any kind, in each case which would reasonably be regarded as likely to reduce the success of, or materially delay or interfere with the completion of, the transactions contemplated by the Arrangement Agreement.
- (g) The Securityholder will, and will cause each of its affiliates to, immediately cease and cause to be terminated any existing discussions or negotiations with any parties with respect to any potential Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement).
- (h) Until the Expiry Time, at the request of the Purchaser, the Parent or the Company, the Securityholder will use all commercially reasonable efforts in its capacity as a Shareholder to assist the Company, the Purchaser and the Parent to make all regulatory filings required to complete the Arrangement and the other transactions contemplated by the Arrangement Agreement and this Agreement.
- (i) The Securityholder hereby consents to:
- (i) details of this Agreement being set out in any press release, information circular, including the Company Circular, and court documents produced by the Company, the Purchaser, the Parent or any of their respective affiliates in connection with the transactions contemplated by this Agreement and the Arrangement Agreement, provided that to the extent any such filing contains disclosure regarding the Securityholder or its affiliates, the Securityholder has been provided with a reasonable opportunity to review and comment on such disclosure and reasonable consideration has been given by the Purchaser to any such comments; and
 - (ii) this Agreement being made publicly available, including by filing on the System for Electronic Document Analysis and Retrieval (SEDAR) operated on behalf of the Canadian Securities Administrators and/or by filing with or furnishing to the SEC, provided that the parties agree that this Agreement, including schedules, will be filed in its entirety on SEDAR and/or filed with or furnished to the SEC, without redaction other than (A) certain facsimile information in Section 4.9(a) hereof and Section 11.7 [Notices] of the Arrangement Agreement; and (B) specific dollar amounts referred to in Section 6.1 [Conduct of Business] of the Arrangement Agreement.
- (j) Except as required by applicable Law or applicable stock exchange requirements, the Securityholder will not, and will ensure that its affiliates do not, make any public announcement with respect to the transactions contemplated herein or pursuant to the Arrangement Agreement without the prior written approval of the Purchaser.

3.2 Alternative Forms of Transaction

If the event that, in lieu of the Arrangement, the Purchaser, the Parent or the Company determines in its good faith judgment that it is necessary or desirable to complete the acquisition of the Company Shares pursuant to an Alternative Transaction (as defined below), then the Securityholder shall, during the term of this Agreement, upon request of the Purchaser or the Parent support the completion of such Alternative Transaction in the same manner as the Arrangement in accordance with the terms and conditions of this Agreement, including by depositing or causing the deposit of the Subject Securities into the Alternative Transaction and not withdrawing them. For the purposes of this Agreement, an "Alternative Transaction" means a take-over bid made by the Parent (or an affiliate) in compliance with applicable securities Laws, to all of the shareholders of the Company that satisfies each of the following conditions (a) it provides for economic terms which, in relation to the Securityholder, on an after-tax basis, are in all respects at least equivalent to or better than those contemplated by the Arrangement Agreement, (b) it provides for conditions that are not more onerous than those set forth in the Arrangement Agreement, (c) it expires (following any extensions) no later than the earlier of (i) 70 days from the date that the Purchaser commences any take-over bid, and (ii) the Deadline Date, (d) it is, from the perspective of the Securityholder acting reasonably, otherwise on terms not materially more onerous on the Securityholder than the Arrangement, and (e) it is subject to a minimum tender condition of at least 66^{2/3}% of the outstanding Company Shares that cannot be waived without the approval of the Securityholder.

Subject to Section 4.1, each of Purchaser and the Parent will (a) comply with its respective obligations under the Arrangement Agreement and (b) take all steps required of it to cause the Arrangement to occur in both cases in accordance with the terms of and subject to the conditions set forth in the Arrangement Agreement.

**ARTICLE 4
GENERAL**

4.1 Termination

This Agreement will automatically terminate upon written notice from any party hereto and be of no further force or effect upon the earliest to occur of:

- (a) the agreement in writing of the Purchaser, the Parent and the Securityholder;
- (b) the termination of the Arrangement Agreement in accordance with its terms, unless prior to or concurrently with the termination of the Arrangement Agreement, the Parent (or an affiliate) commences an Alternative Transaction;
- (c) written notice by the Securityholder to the Parent if:
 - (i) subject to Section 4.3, any representation or warranty of the Purchaser or the Parent under this Agreement is untrue or incorrect in any material respect;
 - (ii) without the prior written consent of the Securityholder, there is any decrease in, or change in the form of, the consideration as set out in the Arrangement Agreement, other than any adjustment to the consideration pursuant to the terms of the Arrangement Agreement;
 - (iii) without the prior written consent of the Securityholder, (A) the conditions to the consummation of the Arrangement as set forth in the Arrangement Agreement have been amended in a manner that is adverse to the Securityholder, or (B) the terms of the Arrangement Agreement have been otherwise varied in a manner that is materially adverse to the Securityholder; or
 - (iv) subject to Section 4.3, the Purchaser or the Parent has not complied in any material respect with its covenants contained herein;

provided that at the time of such termination, the Securityholder is not in material default in the performance of its obligations under this Agreement;

- (d) written notice by the Purchaser or the Parent to the Securityholder if:
 - (i) subject to Section 4.3, any representation or warranty of the Securityholder under this Agreement is untrue or incorrect in any material respect; or
 - (ii) the Securityholder has not complied in any material respect with its covenants contained herein;

provided that at the time of such termination, neither the Purchaser nor the Parent is in material default in the performance of its obligations under this Agreement; and

- (e) the Deadline Date, if the conditions provided in Section 3.1 [Mutual Conditions] or Section 3.2 [Conditions in Favour of Company] of the Arrangement Agreement have not been satisfied by the Parent or Purchaser or waived by Company on or before the Deadline Date, provided however that this Agreement shall not terminate pursuant to this Section 4.1(e) if the Company's failure to fulfill any of its obligations under the Arrangement Agreement or if its breach of any of its representations and warranties under the Arrangement Agreement has been the cause of, or resulted in, the failure of the consummation of the Arrangement to occur by the Deadline Date.

4.2 Time of the Essence

Any date, time or period referred to in this Agreement will be of the essence, except to the extent to which the Securityholder, the Purchaser and the Parent agree in writing to vary any date, time or period, in which event the varied date, time or period will be of the essence.

4.3 Notice and Cure Provisions

- (a) Each party will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the termination of this Agreement of any event or state of facts which occurrence or failure would, or would be likely to give rise to a right of termination by the other party pursuant to Sections 4.1(c) or 4.1(d). Notification provided under this Section 4.3 will not affect the representations, warranties, covenants, agreements or obligations of the parties (or remedies with respect thereto).
- (b) The Securityholder may not exercise its right to terminate this Agreement pursuant to Sections 4.1(c)(i) or 4.1(c)(iv) and the Purchaser or the Parent may not exercise its right to terminate this Agreement pursuant to Section 4.1(d) unless the party seeking to terminate the Agreement delivers a written notice to the other party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the termination right. If any such notice is delivered prior to the Company Meeting, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may exercise such termination right until the earlier of (a) two Business Days prior to the Company Meeting, and (b) the date that is 10 Business Days following receipt of such notice by the party to whom the notice was delivered, if such matter has not been cured by such date. If any such notice is delivered after the date of the Company Meeting, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may exercise such termination right until the earlier of (a) five Business Days prior to the Deadline Date, and (b) the date that is 10 Business Days following receipt of such notice by the Party to whom the notice was delivered.

4.4 Effect of Termination

If this Agreement is terminated in accordance with the provisions of Section 4.1, no party will have any further liability to perform its obligations under this Agreement, provided that neither the termination of this Agreement nor anything contained in Section 4.1 will relieve any party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants made herein.

4.5 Equitable Relief

- (a) The parties hereby agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached, and that money damages or other legal remedies would not be an adequate remedy for any such damages. Accordingly, the parties acknowledge and hereby agree that in the event of any breach or threatened breach by the Securityholder, on the one hand, or the Purchaser or the Parent, on the other hand, of any of their respective covenants or obligations set forth in this Agreement, the Securityholder, on the one hand, and the Purchaser or the Parent, on the other hand, shall be entitled to an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement by the other, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other under this Agreement. Each of the parties hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches or threatened breaches of this Agreement by it, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other parties under this Agreement.
- (b) The parties hereto further agree that (x) by seeking the remedies provided for in this Section 4.5, a party shall not in any respect waive its right to seek any other form of relief that may be available to a party under this Agreement in the event that this Agreement has been terminated or in the event that the remedies provided for in this Section 4.5 are not available or otherwise are not granted, and (y) nothing set forth in this Section 4.5 shall require any party hereto to institute any proceeding for (or limit any party's right to institute any proceeding for) specific performance under this Section 4.5 prior to or as a condition to exercising any termination right under Section 4.1 (and pursuing damages after such termination), nor shall the commencement of any legal proceeding restrict or limit any party's right to terminate this Agreement in accordance with the terms of Section 4.1 or pursue any other remedies under this Agreement that may be available then or thereafter.

4.6 Waiver; Amendment

Each party hereto agrees and confirms that any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by all of the parties or in the case of a waiver, by the party against whom the waiver is to be effective and no failure or delay by any party in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No waiver of any of the provisions of this Agreement will be deemed to constitute a waiver of any other provision (whether or not similar).

4.7 Entire Agreement

This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings among the parties with respect thereto.

4.8 Survival of Representations, Warranties and Covenants

The representations and warranties of the parties set out in Article 2 shall survive the closing of the Arrangement Agreement and remain in full force and effect for 18 months thereafter. This Section 4.8 shall not limit any covenant or agreement of the parties, which by its terms contemplates performance after the Effective Time.

4.9 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (each, a "**Notice**") will be in writing and will be sufficiently given if delivered (whether in person or other personal method of delivery) or if sent by prepaid overnight courier:

- (a) if to the Purchaser or the Parent:

Emergent BioSolutions Inc.
General Counsel
2273 Research Boulevard, Suite 400
Rockville, Maryland 20850
United States

Attention: General Counsel
Facsimile: 301-795-6783

with a copy (which will not constitute notice) to:

DLA Piper LLP (US)
The Marbury Building
6225 Smith Avenue
Baltimore, Maryland 21209-3600
United States

Attention: Howard S. Schwartz
Facsimile: 410-580-3251

and to:

McCarthy Tétrault LLP
66 Wellington Street West
Suite 5300
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Attention: Graham P.C. Gow
Ian Michael
Facsimile: 416-868-0673

- (b) if to the Securityholder:

Apotex Inc.
150 Signet Drive
Toronto, ON M9L 1T9

Attention: President
Facsimile: 416-401-3808

and to (which will not constitute notice):

Global Legal Department
Apotex Holdings Inc.
150 Signet Drive
Toronto, ON M9L 1T9

Attention: General Counsel
Facsimile: 416-401-3808

Any notice sent by prepaid overnight courier will be deemed to have been delivered as of the following Business Day. Any party hereto may, from time to time, change its address by giving Notice to the other parties in accordance with the provisions of this Section.

4.10 Severability

To the extent permitted by applicable Law, the parties waive any provision of applicable Law which renders any provision of this Agreement invalid or unenforceable in any respect. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable Law or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are fulfilled to the fullest extent possible.

4.11 Successors and Assigns

The provisions of this Agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors, permitted assigns and legal personal representatives, provided that no party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other parties hereto.

4.12 Expenses

Each party will pay all costs and expenses (including the fees and disbursements of legal counsel and other advisers) it incurs in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated by this Agreement provided that each party (the "breaching party") shall pay the fees and disbursements of legal counsel to another party (the "non-breaching party") to the extent related to any Proceedings brought by a non-breaching party to enforce this Agreement as a result of a breach of any provision of this Agreement by the breaching party.

4.13 Independent Legal Advice

Each of the parties hereby acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that they have either done so or waived their right to do so in connection with the entering into of this Agreement.

4.14 Further Assurances

The parties hereto will, with reasonable diligence, do all things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each party will provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after the Effective Time.

4.15 Language

The parties expressly acknowledge that they have requested that this Agreement and all ancillary and related documents thereto be drafted in the English language only. Les parties aux présentes reconnaissent avoir exigé que la présente entente et tous les documents qui y sont accessoires soient rédigés en anglais seulement.

4.16 Execution and Delivery

This Agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile or other electronic means and all the counterparts and facsimiles or other electronic copies together constitute one and the same agreement, and such facsimile or other electronic copies will be legally effective to create a valid and binding agreement between the parties.

4.17 Fiduciary Duties

For the avoidance of doubt, nothing in this Agreement shall limit any individual who is a director or officer of Company or any of its Subsidiaries from performing his or her fiduciary duties as a director or an officer of Company or any such Subsidiary, including for greater certainty, doing any act or thing permitted by the Arrangement Agreement, and no action taken by any such individual described pursuant to this Section 4.17 shall constitute a breach of this Agreement by the Securityholder or any of its affiliates.

[The remainder of this page has been intentionally left blank.]

IN WITNESS OF WHICH the parties have executed this Agreement.

2396638 Ontario Inc.

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: Vice President

Apotex Inc.

By: /s/ BERNARD C. SHERMAN
Name: Bernard C. Sherman
Title: Chairman

Emergent BioSolutions Inc.

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: President and Chief Executive Officer

SCHEDULE "A"
COMPANY SHARES

Securityholder	Company Shares
Apotex Inc.	57,315 common shares
Apotex Holdings Inc.	24,500,493 common shares
Sherman Foundation	15,392,822 common shares
Apotex Foundation	787,157 common shares
Bernard C. Sherman	135,000 common shares

SCHEDULE "B"
ARRANGEMENT AGREEMENT

VOTING SUPPORT AGREEMENT

THIS AGREEMENT is made as of December 11, 2013.

BETWEEN:

2396638 Ontario Inc., a corporation existing under the laws of Ontario, Canada (the "Purchaser")

- and -

Apotex Holdings Inc., a corporation existing under the laws of Ontario, Canada (the "Securityholder")

- and -

Emergent BioSolutions Inc., a corporation existing under the laws of Delaware, USA (the "Parent")

RECITALS:

1. The Securityholder is the beneficial owner, directly or indirectly, of certain Company Shares.
2. The Securityholder understands that the Company, the Purchaser and the Parent have entered into the Arrangement Agreement.
3. This Agreement sets out, among other things, the terms and conditions of the agreement of the Securityholder to abide by the covenants in respect of the Subject Securities and the other restrictions and covenants set forth herein.
4. The Parent owns all of the outstanding securities of the Purchaser.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

Capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Arrangement Agreement. In this Agreement, including the recitals:

"**affiliate**" of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly, and "**control**" and any derivation thereof means the holding of voting securities of another entity sufficient to elect a majority of the board of directors (or the equivalent) of such entity; provided that, notwithstanding the foregoing, the Company and each of its Subsidiaries shall be deemed to not be an affiliate of the Securityholder or any of its affiliates;

"**Arrangement Agreement**" means the arrangement agreement dated December 11, 2013 between the Purchaser, the Company and the Parent, a copy of which is attached to this Agreement as Schedule "B";

"**Company**" means Cangene Corporation, a corporation existing under the laws of the Province of Ontario;

"**Deadline Date**" means (i) if Parent or Purchaser has not commenced an Alternative Transaction prior to June 30, 2014, then June 30, 2014, and (ii) if Parent or Purchaser has commenced an Alternative Transaction prior to June 30, 2014, the earlier of (A) the termination of the Alternative Transaction and (B) July 31, 2014;

"**Expiry Time**" has the meaning ascribed thereto in Section 3.1(a);

"**Governmental Entity**" means any national, supra-national, federal, state, municipal, local or foreign government, or any court, tribunal, arbitrator, administrative agency, commission or other governmental or quasi-governmental authority or instrumentality, including any government-owned or government-controlled enterprise, in each case whether domestic or foreign, any stock exchange or similar self-regulatory organization or any quasi-governmental body exercising any regulatory, taxing or other governmental or quasi-governmental authority;

"**Law**" means all United States or foreign federal, state, national, supra-national, provincial, municipal or local laws, constitutions, statutes, codes, rules, common law, regulations, ordinances, executive orders, treaties, decrees or edicts by a Governmental Entity having the force of law;

"**Notice**" has the meaning ascribed thereto in Section 4.9;

"**Subject Securities**" means the Company Shares currently owned by the Securityholder as specified in Schedule "A" hereto, and any other Company Shares acquired by the Securityholder or any of its affiliates subsequent to the date hereof, and will include all securities which such Subject Securities may be converted into, exchanged for or otherwise changed into;

1.2 Singular; Plural, etc.

In this Agreement, words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.3 Currency

Unless otherwise expressly stated, all references to currency herein will be deemed to be references to U.S. currency.

1.4 Headings, etc.

The division of this Agreement into Articles, Sections and Schedules and the insertion of the recitals and headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement or in the Schedules hereto to Articles, Sections and Schedules refer to Articles, Sections and Schedules of and to this Agreement or of the Schedules in which such reference is made, as applicable.

1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day. In this Agreement, references from or through any date mean, unless otherwise specified, from and including that date and/or through and including that date, respectively.

1.6 Governing Law

This Agreement will be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the laws of Canada applicable therein, and will be construed and treated in all respects as an Ontario contract. Each of the parties hereby irrevocably attorns to the exclusive jurisdiction of the Courts of the Province of Ontario in respect of all matters arising under and in relation to this Agreement.

1.7 Incorporation of Schedules

Each of Schedules "A" and "B" attached hereto, for all purposes hereof, forms an integral part of this Agreement.

**ARTICLE 2
REPRESENTATIONS AND WARRANTIES**

2.1 Representations and Warranties of the Securityholder

The Securityholder represents and warrants to the Purchaser and the Parent (and acknowledges that they are relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) the matters set out below:

- (a) The Securityholder has been duly created and is a valid and subsisting corporation under the laws of the Province of Ontario, Canada.
- (b) The Securityholder has all necessary power, authority, capacity and right to enter into this Agreement and to carry out each of its obligations under this Agreement. This Agreement has been duly executed and delivered by the Securityholder and constitutes a legal, valid and binding obligation of the Securityholder enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (c) The Securityholder owns all of the Subject Securities. Other than the Subject Securities, and other Company Shares that are governed by the other Voting Support Agreements being entered into concurrently with this Agreement by the entities and individuals and in the amounts as specified in Schedule A, neither the Securityholder nor any of its affiliates, beneficially own, or exercise control or direction over any additional securities, or any securities convertible or exchangeable into any additional securities, of the Company or any of its affiliates.
- (d) Currently the Securityholder is, and at the time at which the Subject Securities are acquired by the Purchaser under the Arrangement will be, the sole beneficial owner of the Subject Securities, with good and marketable title thereto, free and clear of all Liens.
- (e) The Securityholder has the sole right to sell and vote or direct the sale and voting of the Subject Securities.
- (f) No Person has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of the Subject Securities or any interest therein or right thereto, except the Purchaser pursuant to the Arrangement.
- (g) No consent, approval, order or authorization of, or declaration or filing with, any Person is required to be obtained by the Securityholder in connection with the execution and delivery of this Agreement by the Securityholder and the performance by it of its obligations under this Agreement.
- (h) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Securityholder, threatened against the Securityholder or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Securityholder's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.
- (i) None of the Subject Securities is subject to any proxy, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of any of the Company's securityholders or give consents or approvals of any kind.
- (j) None of the execution and delivery by the Securityholder of this Agreement or the completion of the transactions contemplated hereby or the compliance by the Securityholder with its obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Securityholder; (ii) any contract to which the Securityholder is a party or by which the Securityholder is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Law.

2.2 Representations and Warranties of the Purchaser and Parent

The Purchaser and the Parent jointly and severally represent and warrant to the Securityholder (and acknowledge that the Securityholder is relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) the matters set out below:

- (a) The Purchaser is a corporation duly incorporated and validly existing under the laws of Ontario, Canada and has all necessary corporate power, authority and capacity to enter into this Agreement. The execution and delivery of this Agreement and the performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (b) None of the execution and delivery by the Purchaser of this Agreement or the compliance by the Purchaser with the Purchaser's obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Purchaser; (ii) any contract to which the Purchaser is a party or by which the Purchaser is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Laws.
- (c) No material consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement, the performance by it of its obligations under this Agreement and the consummation by the Purchaser of the Arrangement, other than those which are contemplated by the Arrangement Agreement.
- (d) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Purchaser, threatened against the Purchaser or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Purchaser's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.
- (e) The Parent is a corporation duly incorporated and validly existing under the laws of Delaware, USA and has all necessary corporate power, authority and capacity to enter into this Agreement. The execution and delivery of this Agreement and the performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Parent. This Agreement constitutes a legal, valid and binding obligation of the Parent enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (f) None of the execution and delivery by the Parent of this Agreement or the compliance by the Parent with the Parent's obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Parent; (ii) any contract to which the Parent is a party or by which the Parent is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Laws.
- (g) No material consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by the Parent in connection with the execution and delivery of this Agreement, the performance by it of its obligations under this Agreement and the consummation by the Parent of the Arrangement, other than those which are contemplated by the Arrangement Agreement.
- (h) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Parent, threatened against the Parent or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Parent's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.

ARTICLE 3 COVENANTS

3.1 Covenants of the Securityholder

- (a) The Securityholder hereby covenants with the Purchaser and the Parent that from the date of this Agreement until the earlier of the termination of this Agreement in accordance with its terms and the Effective Time (the "**Expiry Time**"), the Securityholder will not:
 - (i) without having first obtained the prior written consent of the Parent, which consent shall not be unreasonably withheld, sell, transfer, gift, assign, convey, pledge, hypothecate, encumber, option or otherwise dispose of any right or interest in any of the Subject Securities or enter into any agreement, arrangement, commitment or understanding in connection therewith, other than (A) pursuant to the Arrangement or (B) transfers to or between affiliates of the Securityholder (provided that (1) the Securityholder will notify Parent of any such transfer; (2) such

transfer does not relieve the Securityholder of any of its obligations under this Agreement with respect to the Subject Securities; and (3) any affiliate of the Securityholder will be required, in Parent's sole discretion, to enter into an agreement with Purchaser and the Parent substantially in the form of this Agreement with respect to all of such Subject Securities);

- (ii) other than as set forth herein, grant or agree to grant any proxies or powers of attorney, deposit any Subject Securities into a voting trust or pooling agreement, or enter into a voting agreement, commitment, understanding or arrangement, oral or written, with respect to the voting of any Subject Securities; or
 - (iii) requisition or join in the requisition of any meeting of any of the securityholders of the Company for the purpose of considering any resolution.
- (b) The Securityholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to vote (or cause to be voted) all the Subject Securities:
- (i) at any meeting of any of the securityholders of the Company at which the Securityholder is entitled to vote, including the Company Meeting; and
 - (ii) in any action by written consent of the securityholders of the Company,

in favour of the approval, consent, ratification and adoption of the Arrangement Resolution and the transactions contemplated by the Arrangement Agreement (and any actions required for the consummation of the transactions contemplated by the Arrangement Agreement). In connection with the foregoing, subject to this Section 3.1(b), the Securityholder hereby agrees to deposit a proxy, or voting instruction form, as the case may be, duly completed and executed in respect of all of the Subject Securities as soon as practicable following the mailing of the Company Circular and in any event at least 10 calendar days following such mailing, voting all such Subject Securities in favour of the Arrangement Resolution. The Securityholder hereby agrees that it will not take, nor permit any Person on its behalf to take, any action to withdraw, amend or invalidate any proxy or voting instruction form deposited pursuant to this Agreement notwithstanding any statutory or other rights or otherwise which the Securityholder might have unless this Agreement has at such time been previously terminated in accordance with Section 4.1.

- (c) The Securityholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to vote (or cause to be voted) the Subject Securities against any proposed action by the Company, its Shareholders, any of the Company's Subsidiaries or any other Person: (i) in respect of any Acquisition Proposal or Superior Proposal or other merger, take-over bid, amalgamation, plan of arrangement, business combination or similar transaction involving the Company or any Subsidiary of the Company, other than the Arrangement; (ii) which would reasonably be regarded as being directed towards or likely to prevent or delay the successful completion of the Arrangement, including without limitation any amendment to the articles or by-laws of the Company or any of its affiliates or their respective corporate structures; or (iii) any action or agreement that would result in a breach of any representation, warranty, covenant or other obligation of the Company under the Arrangement Agreement if such breach requires Shareholder approval;
- (d) Until the Expiry Time, the Securityholder hereby covenants, undertakes and agrees, in the event that any transaction other than the Arrangement is presented for approval of, or acceptance by, the Shareholders, whether or not it may be recommended by the Company's directors, not to directly or indirectly, (i) accept, knowingly assist or otherwise knowingly further the successful completion of such transaction or (ii) purport to tender or deposit into any such transaction any of the Subject Securities, and, in the event the directors of the Company make a Change in Recommendation, the Securityholder will, if requested by the Parent, publicly affirm its commitment to vote in favour of the Arrangement in accordance with the terms of this Agreement.
- (e) Until the Expiry Time, the Securityholder will not, and will ensure that its affiliates do not, directly or indirectly, through any officer, director, employee, representative or agent or otherwise:
- (i) solicit proxies or become a participant in a solicitation in opposition to or in competition with the Purchaser in connection with the Arrangement;
 - (ii) assist any affiliate or knowingly assist any other Person in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit the Purchaser in connection with the Arrangement;
 - (iii) act jointly or in concert with others with respect to voting securities of the Company for the purpose of opposing or competing with the Purchaser in connection with the Arrangement;
 - (iv) solicit, initiate, knowingly assist, knowingly encourage or otherwise facilitate (including by way of entering into any agreement, arrangement or understanding), any inquiry, proposal or offer relating to any Acquisition Proposal or potential Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement);
 - (v) participate in any discussions or negotiations regarding any Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement);
 - (vi) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement, arrangement or understanding related to any Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement); or
 - (vii) cooperate in any way with, participate in or knowingly assist, knowingly encourage or otherwise facilitate any effort or attempt by any other Person to do or seek to do any of the foregoing.
- (f) The Securityholder will not (i) exercise any dissent rights in respect of the Arrangement; or (ii) take any other action of any kind, in each case which would reasonably be regarded as likely to reduce the success of, or materially delay or interfere with the completion of, the transactions contemplated by the Arrangement Agreement.
- (g) The Securityholder will, and will cause each of its affiliates to, immediately cease and cause to be terminated any existing discussions or negotiations with any parties with respect to any potential Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement).
- (h) Until the Expiry Time, at the request of the Purchaser, the Parent or the Company, the Securityholder will use all commercially reasonable efforts in its capacity as a Shareholder to assist the Company, the Purchaser and the Parent to make all regulatory filings required to complete the Arrangement and the other transactions contemplated by the Arrangement Agreement and this Agreement.
- (i) The Securityholder hereby consents to:
- (i) details of this Agreement being set out in any press release, information circular, including the Company Circular, and court documents produced by the Company, the Purchaser, the Parent or any of their respective affiliates in connection with the transactions contemplated by this Agreement and the Arrangement Agreement, provided that to the extent any such filing contains disclosure regarding the Securityholder or its affiliates, the Securityholder has been provided with a reasonable opportunity to review and comment on such disclosure and reasonable consideration has been given by the Purchaser to any such comments; and
 - (ii) this Agreement being made publicly available, including by filing on the System for Electronic Document Analysis and Retrieval (SEDAR) operated on behalf of the Canadian Securities Administrators and/or by filing with or furnishing to the SEC, provided that the parties agree that this Agreement, including schedules, will be filed in its entirety on SEDAR and/or filed with or furnished to the SEC, without redaction other than (A) certain facsimile information in Section 4.9(a) hereof and Section 11.7 [Notices] of the Arrangement Agreement; and (B) specific dollar amounts referred to in Section 6.1 [Conduct of Business] of the Arrangement Agreement.
- (j) Except as required by applicable Law or applicable stock exchange requirements, the Securityholder will not, and will ensure that its affiliates do not, make any public announcement with respect to the transactions contemplated herein or pursuant to the Arrangement Agreement without the prior written approval of the Purchaser.

3.2 Alternative Forms of Transaction

If the event that, in lieu of the Arrangement, the Purchaser, the Parent or the Company determines in its good faith judgment that it is necessary or desirable to complete the acquisition of the Company Shares pursuant to an Alternative Transaction (as defined below), then the Securityholder shall, during the term of this Agreement, upon request of the Purchaser or the Parent support the completion of such Alternative Transaction in the same manner as the Arrangement in accordance with the terms and conditions of this Agreement, including by depositing or causing the deposit of the Subject Securities into the Alternative Transaction and not withdrawing them. For the purposes of this Agreement, an "Alternative Transaction" means a take-over bid made by the Parent (or an affiliate) in compliance with applicable securities Laws, to all of the shareholders of the Company that satisfies each of the following conditions (a) it provides for economic terms which, in relation to the Securityholder, on an after-tax basis, are in all respects at least equivalent to or better than those contemplated by the Arrangement Agreement, (b) it provides for conditions that are not more onerous than those set forth in the Arrangement Agreement, (c) it expires (following any extensions) no later than the earlier of (i) 70 days from the date that the Purchaser commences any take-over bid, and (ii) the Deadline Date, (d) it is, from the perspective of the Securityholder acting reasonably, otherwise on terms not materially more onerous on the Securityholder than the Arrangement, and (e) it is subject to a minimum tender condition of at least 66^{2/3}% of the outstanding Company Shares that cannot be waived without the approval of the Securityholder.

Subject to Section 4.1, each of Purchaser and the Parent will (a) comply with its respective obligations under the Arrangement Agreement and (b) take all steps required of it to cause the Arrangement to occur in both cases in accordance with the terms of and subject to the conditions set forth in the Arrangement Agreement.

**ARTICLE 4
GENERAL**

4.1 Termination

This Agreement will automatically terminate upon written notice from any party hereto and be of no further force or effect upon the earliest to occur of:

- (a) the agreement in writing of the Purchaser, the Parent and the Securityholder;
- (b) the termination of the Arrangement Agreement in accordance with its terms, unless prior to or concurrently with the termination of the Arrangement Agreement, the Parent (or an affiliate) commences an Alternative Transaction;
- (c) written notice by the Securityholder to the Parent if:
 - (i) subject to Section 4.3, any representation or warranty of the Purchaser or the Parent under this Agreement is untrue or incorrect in any material respect;
 - (ii) without the prior written consent of the Securityholder, there is any decrease in, or change in the form of, the consideration as set out in the Arrangement Agreement, other than any adjustment to the consideration pursuant to the terms of the Arrangement Agreement;
 - (iii) without the prior written consent of the Securityholder, (A) the conditions to the consummation of the Arrangement as set forth in the Arrangement Agreement have been amended in a manner that is adverse to the Securityholder, or (B) the terms of the Arrangement Agreement have been otherwise varied in a manner that is materially adverse to the Securityholder; or
 - (iv) subject to Section 4.3, the Purchaser or the Parent has not complied in any material respect with its covenants contained herein;

provided that at the time of such termination, the Securityholder is not in material default in the performance of its obligations under this Agreement;

- (d) written notice by the Purchaser or the Parent to the Securityholder if:
 - (i) subject to Section 4.3, any representation or warranty of the Securityholder under this Agreement is untrue or incorrect in any material respect; or
 - (ii) the Securityholder has not complied in any material respect with its covenants contained herein;

provided that at the time of such termination, neither the Purchaser nor the Parent is in material default in the performance of its obligations under this Agreement; and

- (e) the Deadline Date, if the conditions provided in Section 3.1 [Mutual Conditions] or Section 3.2 [Conditions in Favour of Company] of the Arrangement Agreement have not been satisfied by the Parent or Purchaser or waived by Company on or before the Deadline Date, provided however that this Agreement shall not terminate pursuant to this Section 4.1(e) if the Company's failure to fulfill any of its obligations under the Arrangement Agreement or if its breach of any of its representations and warranties under the Arrangement Agreement has been the cause of, or resulted in, the failure of the consummation of the Arrangement to occur by the Deadline Date.

4.2 Time of the Essence

Any date, time or period referred to in this Agreement will be of the essence, except to the extent to which the Securityholder, the Purchaser and the Parent agree in writing to vary any date, time or period, in which event the varied date, time or period will be of the essence.

4.3 Notice and Cure Provisions

- (a) Each party will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the termination of this Agreement of any event or state of facts which occurrence or failure would, or would be likely to give rise to a right of termination by the other party pursuant to Sections 4.1(c) or 4.1(d). Notification provided under this Section 4.3 will not affect the representations, warranties, covenants, agreements or obligations of the parties (or remedies with respect thereto).
- (b) The Securityholder may not exercise its right to terminate this Agreement pursuant to Sections 4.1(c)(i) or 4.1(c)(iv) and the Purchaser or the Parent may not exercise its right to terminate this Agreement pursuant to Section 4.1(d) unless the party seeking to terminate the Agreement delivers a written notice to the other party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the termination right. If any such notice is delivered prior to the Company Meeting, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may exercise such termination right until the earlier of (a) two Business Days prior to the Company Meeting, and (b) the date that is 10 Business Days following receipt of such notice by the party to whom the notice was delivered, if such matter has not been cured by such date. If any such notice is delivered after the date of the Company Meeting, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may exercise such termination right until the earlier of (a) five Business Days prior to the Deadline Date, and (b) the date that is 10 Business Days following receipt of such notice by the Party to whom the notice was delivered.

4.4 Effect of Termination

If this Agreement is terminated in accordance with the provisions of Section 4.1, no party will have any further liability to perform its obligations under this Agreement, provided that neither the termination of this Agreement nor anything contained in Section 4.1 will relieve any party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants made herein.

4.5 Equitable Relief

- (a) The parties hereby agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached, and that money damages or other legal remedies would not be an adequate remedy for any such damages. Accordingly, the parties acknowledge and hereby agree that in the event of any breach or threatened breach by the Securityholder, on the one hand, or the Purchaser or the Parent, on the other hand, of any of their respective covenants or obligations set forth in this Agreement, the Securityholder, on the one hand, and the Purchaser or the Parent, on the other hand, shall be entitled to an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement by the other, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other under this Agreement. Each of the parties hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches or threatened breaches of this Agreement by it, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other parties under this Agreement.
- (b) The parties hereto further agree that (x) by seeking the remedies provided for in this Section 4.5, a party shall not in any respect waive its right to seek any other form of relief that may be available to a party under this Agreement in the event that this Agreement has been terminated or in the event that the remedies provided for in this Section 4.5 are not available or otherwise are not granted, and (y) nothing set forth in this Section 4.5 shall require any party hereto to institute any proceeding for (or limit any party's right to institute any proceeding for) specific performance under this Section 4.5 prior to or as a condition to exercising any termination right under Section 4.1 (and pursuing damages after such termination), nor shall the commencement of any legal proceeding restrict or limit any party's right to terminate this Agreement in accordance with the terms of Section 4.1 or pursue any other remedies under this Agreement that may be available then or thereafter.

4.6 Waiver; Amendment

Each party hereto agrees and confirms that any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by all of the parties or in the case of a waiver, by the party against whom the waiver is to be effective and no failure or delay by any party in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No waiver of any of the provisions of this Agreement will be deemed to constitute a waiver of any other provision (whether or not similar).

4.7 Entire Agreement

This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings among the parties with respect thereto.

4.8 Survival of Representations, Warranties and Covenants

The representations and warranties of the parties set out in Article 2 shall survive the closing of the Arrangement Agreement and remain in full force and effect for 18 months thereafter. This Section 4.8 shall not limit any covenant or agreement of the parties, which by its terms contemplates performance after the Effective Time.

4.9 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (each, a "**Notice**") will be in writing and will be sufficiently given if delivered (whether in person or other personal method of delivery) or if sent by prepaid overnight courier:

- (a) if to the Purchaser or the Parent:

Emergent BioSolutions Inc.
General Counsel
2273 Research Boulevard, Suite 400
Rockville, Maryland 20850
United States

Attention: General Counsel
Facsimile: 301-795-6783

with a copy (which will not constitute notice) to:

DLA Piper LLP (US)
The Marbury Building
6225 Smith Avenue
Baltimore, Maryland 21209-3600
United States

Attention: Howard S. Schwartz
Facsimile: 410-580-3251

and to:

McCarthy Tétrault LLP
66 Wellington Street West
Suite 5300
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Attention: Graham P.C. Gow
Ian Michael
Facsimile: 416-868-0673

- (b) if to the Securityholder:

Apotex Holdings Inc.
150 Signet Drive
Toronto, ON M9L 1T9

Attention: President
Facsimile: 416-401-3808

and to (which will not constitute notice):

Global Legal Department
Apotex Holdings Inc.
150 Signet Drive
Toronto, ON M9L 1T9

Attention: General Counsel
Facsimile: 416-401-3808

Any notice sent by prepaid overnight courier will be deemed to have been delivered as of the following Business Day. Any party hereto may, from time to time, change its address by giving Notice to the other parties in accordance with the provisions of this Section.

4.10 Severability

To the extent permitted by applicable Law, the parties waive any provision of applicable Law which renders any provision of this Agreement invalid or unenforceable in any respect. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable Law or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are fulfilled to the fullest extent possible.

4.11 Successors and Assigns

The provisions of this Agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors, permitted assigns and legal personal representatives, provided that no party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other parties hereto.

4.12 Expenses

Each party will pay all costs and expenses (including the fees and disbursements of legal counsel and other advisers) it incurs in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated by this Agreement provided that each party (the "breaching party") shall pay the fees and disbursements of legal counsel to another party (the "non-breaching party") to the extent related to any Proceedings brought by a non-breaching party to enforce this Agreement as a result of a breach of any provision of this Agreement by the breaching party.

4.13 Independent Legal Advice

Each of the parties hereby acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that they have either done so or waived their right to do so in connection with the entering into of this Agreement.

4.14 Further Assurances

The parties hereto will, with reasonable diligence, do all things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each party will provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after the Effective Time.

4.15 Language

The parties expressly acknowledge that they have requested that this Agreement and all ancillary and related documents thereto be drafted in the English language only. Les parties aux présentes reconnaissent avoir exigé que la présente entente et tous les documents qui y sont accessoires soient rédigés en anglais seulement.

4.16 Execution and Delivery

This Agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile or other electronic means and all the counterparts and facsimiles or other electronic copies together constitute one and the same agreement, and such facsimile or other electronic copies will be legally effective to create a valid and binding agreement between the parties.

4.17 Fiduciary Duties

For the avoidance of doubt, nothing in this Agreement shall limit any individual who is a director or officer of Company or any of its Subsidiaries from performing his or her fiduciary duties as a director or an officer of Company or any such Subsidiary, including for greater certainty, doing any act or thing permitted by the Arrangement Agreement, and no action taken by any such individual described pursuant to this Section 4.17 shall constitute a breach of this Agreement by the Securityholder or any of its affiliates.

[The remainder of this page has been intentionally left blank.]

IN WITNESS OF WHICH the parties have executed this Agreement.

2396638 Ontario Inc.

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: Vice President

Apotex Holdings Inc.

By: /s/ BERNARD C. SHERMAN
Name: Bernard C. Sherman
Title: Chairman

Emergent BioSolutions Inc.

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: President and Chief Executive Officer

SCHEDULE "A"
COMPANY SHARES

Securityholder	Company Shares
Apotex Inc.	57,315 common shares
Apotex Holdings Inc.	24,500,493 common shares
Sherman Foundation	15,392,822 common shares
Apotex Foundation	787,157 common shares
Bernard C. Sherman	135,000 common shares

SCHEDULE "B"
ARRANGEMENT AGREEMENT

VOTING SUPPORT AGREEMENT

THIS AGREEMENT is made as of December 11, 2013.

BETWEEN:

2396638 Ontario Inc., a corporation existing under the laws of Ontario, Canada (the "Purchaser")

- and -

Sherman Foundation, a non-profit society existing under the laws of British Columbia, Canada (the "Securityholder")

- and -

Emergent BioSolutions Inc., a corporation existing under the laws of Delaware, USA (the "Parent")

RECITALS:

1. The Securityholder is the beneficial owner, directly or indirectly, of certain Company Shares.
2. The Securityholder understands that the Company, the Purchaser and the Parent have entered into the Arrangement Agreement.
3. This Agreement sets out, among other things, the terms and conditions of the agreement of the Securityholder to abide by the covenants in respect of the Subject Securities and the other restrictions and covenants set forth herein.
4. The Parent owns all of the outstanding securities of the Purchaser.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Arrangement Agreement. In this Agreement, including the recitals:

"**affiliate**" of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly, and "**control**" and any derivation thereof means the holding of voting securities of another entity sufficient to elect a majority of the board of directors (or the equivalent) of such entity; provided that, notwithstanding the foregoing, the Company and each of its Subsidiaries shall be deemed to not be an affiliate of the Securityholder or any of its affiliates;

"**Arrangement Agreement**" means the arrangement agreement dated December 11, 2013 between the Purchaser, the Company and the Parent, a copy of which is attached to this Agreement as Schedule "B";

"**Company**" means Cangene Corporation, a corporation existing under the laws of the Province of Ontario;

"**Deadline Date**" means (i) if Parent or Purchaser has not commenced an Alternative Transaction prior to June 30, 2014, then June 30, 2014, and (ii) if Parent or Purchaser has commenced an Alternative Transaction prior to June 30, 2014, the earlier of (A) the termination of the Alternative Transaction and (B) July 31, 2014;

"**Expiry Time**" has the meaning ascribed thereto in Section 3.1(a);

"**Governmental Entity**" means any national, supra-national, federal, state, municipal, local or foreign government, or any court, tribunal, arbitrator, administrative agency, commission or other governmental or quasi-governmental authority or instrumentality, including any government-owned or government-controlled enterprise, in each case whether domestic or foreign, any stock exchange or similar self-regulatory organization or any quasi-governmental body exercising any regulatory, taxing or other governmental or quasi-governmental authority;

"**Law**" means all United States or foreign federal, state, national, supra-national, provincial, municipal or local laws, constitutions, statutes, codes, rules, common law, regulations, ordinances, executive orders, treaties, decrees or edicts by a Governmental Entity having the force of law;

"**Notice**" has the meaning ascribed thereto in Section 4.9;

"**Subject Securities**" means the Company Shares currently owned by the Securityholder as specified in Schedule "A" hereto, and any other Company Shares acquired by the Securityholder or any of its affiliates subsequent to the date hereof, and will include all securities which such Subject Securities may be converted into, exchanged for or otherwise changed into;

1.2 Singular; Plural, etc.

In this Agreement, words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.3 Currency

Unless otherwise expressly stated, all references to currency herein will be deemed to be references to U.S. currency.

1.4 Headings, etc.

The division of this Agreement into Articles, Sections and Schedules and the insertion of the recitals and headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement or in the Schedules hereto to Articles, Sections and Schedules refer to Articles, Sections and Schedules of and to this Agreement or of the Schedules in which such reference is made, as applicable.

1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day. In this Agreement, references from or through any date mean, unless otherwise specified, from and including that date and/or through and including that date, respectively.

1.6 Governing Law

This Agreement will be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the laws of Canada applicable therein, and will be construed and treated in all respects as an Ontario contract. Each of the parties hereby irrevocably attorns to the exclusive jurisdiction of the Courts of the Province of Ontario in respect of all matters arising under and in relation to this Agreement.

1.7 Incorporation of Schedules

Each of Schedules "A" and "B" attached hereto, for all purposes hereof, forms an integral part of this Agreement.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of the Securityholder

The Securityholder represents and warrants to the Purchaser and the Parent (and acknowledges that they are relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) the matters set out below:

- (a) The Securityholder has been duly created and is a valid and subsisting non-profit society under the laws of the Province of British Columbia, Canada.
- (b) The Securityholder has all necessary power, authority, capacity and right to enter into this Agreement and to carry out each of its obligations under this Agreement. This Agreement has been duly executed and delivered by the Securityholder and constitutes a legal, valid and binding obligation of the Securityholder enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (c) The Securityholder owns all of the Subject Securities. Other than the Subject Securities, and other Company Shares that are governed by the other Voting Support Agreements being entered into concurrently with this Agreement by the entities and individuals and in the amounts as specified in Schedule A, neither the Securityholder nor any of its affiliates, beneficially own, or exercise control or direction over any additional securities, or any securities convertible or exchangeable into any additional securities, of the Company or any of its affiliates.
- (d) Currently the Securityholder is, and at the time at which the Subject Securities are acquired by the Purchaser under the Arrangement will be, the sole beneficial owner of the Subject Securities, with good and marketable title thereto, free and clear of all Liens.
- (e) The Securityholder has the sole right to sell and vote or direct the sale and voting of the Subject Securities.
- (f) No Person has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of the Subject Securities or any interest therein or right thereto, except the Purchaser pursuant to the Arrangement.
- (g) No consent, approval, order or authorization of, or declaration or filing with, any Person is required to be obtained by the Securityholder in connection with the execution and delivery of this Agreement by the Securityholder and the performance by it of its obligations under this Agreement.
- (h) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Securityholder, threatened against the Securityholder or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Securityholder's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.
- (i) None of the Subject Securities is subject to any proxy, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of any of the Company's securityholders or give consents or approvals of any kind.
- (j) None of the execution and delivery by the Securityholder of this Agreement or the completion of the transactions contemplated hereby or the compliance by the Securityholder with its obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Securityholder; (ii) any contract to which the Securityholder is a party or by which the Securityholder is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Law.

2.2 Representations and Warranties of the Purchaser and Parent

The Purchaser and the Parent jointly and severally represent and warrant to the Securityholder (and acknowledge that the Securityholder is relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) the matters set out below:

- (a) The Purchaser is a corporation duly incorporated and validly existing under the laws of Ontario, Canada and has all necessary corporate power, authority and capacity to enter into this Agreement. The execution and delivery of this Agreement and the performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (b) None of the execution and delivery by the Purchaser of this Agreement or the compliance by the Purchaser with the Purchaser's obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Purchaser; (ii) any contract to which the Purchaser is a party or by which the Purchaser is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Laws.
- (c) No material consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement, the performance by it of its obligations under this Agreement and the consummation by the Purchaser of the Arrangement, other than those which are contemplated by the Arrangement Agreement.
- (d) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Purchaser, threatened against the Purchaser or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Purchaser's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.
- (e) The Parent is a corporation duly incorporated and validly existing under the laws of Delaware, USA and has all necessary corporate power, authority and capacity to enter into this Agreement. The execution and delivery of this Agreement and the performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Parent. This Agreement constitutes a legal, valid and binding obligation of the Parent enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (f) None of the execution and delivery by the Parent of this Agreement or the compliance by the Parent with the Parent's obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Parent; (ii) any contract to which the Parent is a party or by which the Parent is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Laws.
- (g) No material consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by the Parent in connection with the execution and delivery of this Agreement, the performance by it of its obligations under this Agreement and the consummation by the Parent of the Arrangement, other than those which are contemplated by the Arrangement Agreement.
- (h) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Parent, threatened against the Parent or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Parent's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.

ARTICLE 3 COVENANTS

3.1 Covenants of the Securityholder

- (a) The Securityholder hereby covenants with the Purchaser and the Parent that from the date of this Agreement until the earlier of the termination of this Agreement in accordance with its terms and the Effective Time (the "**Expiry Time**"), the Securityholder will not:
 - (i) without having first obtained the prior written consent of the Parent, which consent shall not be unreasonably withheld, sell, transfer, gift, assign, convey, pledge, hypothecate, encumber, option or otherwise dispose of any right or interest in any of the Subject Securities or enter into any agreement, arrangement, commitment or understanding in connection therewith, other than (A) pursuant to the Arrangement or (B) transfers to or between affiliates of the Securityholder (provided that (1) the Securityholder will notify Parent of any such transfer; (2) such

transfer does not relieve the Securityholder of any of its obligations under this Agreement with respect to the Subject Securities; and (3) any affiliate of the Securityholder will be required, in Parent's sole discretion, to enter into an agreement with Purchaser and the Parent substantially in the form of this Agreement with respect to all of such Subject Securities);

- (ii) other than as set forth herein, grant or agree to grant any proxies or powers of attorney, deposit any Subject Securities into a voting trust or pooling agreement, or enter into a voting agreement, commitment, understanding or arrangement, oral or written, with respect to the voting of any Subject Securities; or
 - (iii) requisition or join in the requisition of any meeting of any of the securityholders of the Company for the purpose of considering any resolution.
- (b) The Securityholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to vote (or cause to be voted) all the Subject Securities:
- (i) at any meeting of any of the securityholders of the Company at which the Securityholder is entitled to vote, including the Company Meeting; and
 - (ii) in any action by written consent of the securityholders of the Company,

in favour of the approval, consent, ratification and adoption of the Arrangement Resolution and the transactions contemplated by the Arrangement Agreement (and any actions required for the consummation of the transactions contemplated by the Arrangement Agreement). In connection with the foregoing, subject to this Section 3.1(b), the Securityholder hereby agrees to deposit a proxy, or voting instruction form, as the case may be, duly completed and executed in respect of all of the Subject Securities as soon as practicable following the mailing of the Company Circular and in any event at least 10 calendar days following such mailing, voting all such Subject Securities in favour of the Arrangement Resolution. The Securityholder hereby agrees that it will not take, nor permit any Person on its behalf to take, any action to withdraw, amend or invalidate any proxy or voting instruction form deposited pursuant to this Agreement notwithstanding any statutory or other rights or otherwise which the Securityholder might have unless this Agreement has at such time been previously terminated in accordance with Section 4.1.

- (c) The Securityholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to vote (or cause to be voted) the Subject Securities against any proposed action by the Company, its Shareholders, any of the Company's Subsidiaries or any other Person: (i) in respect of any Acquisition Proposal or Superior Proposal or other merger, take-over bid, amalgamation, plan of arrangement, business combination or similar transaction involving the Company or any Subsidiary of the Company, other than the Arrangement; (ii) which would reasonably be regarded as being directed towards or likely to prevent or delay the successful completion of the Arrangement, including without limitation any amendment to the articles or by-laws of the Company or any of its affiliates or their respective corporate structures; or (iii) any action or agreement that would result in a breach of any representation, warranty, covenant or other obligation of the Company under the Arrangement Agreement if such breach requires Shareholder approval;
- (d) Until the Expiry Time, the Securityholder hereby covenants, undertakes and agrees, in the event that any transaction other than the Arrangement is presented for approval of, or acceptance by, the Shareholders, whether or not it may be recommended by the Company's directors, not to directly or indirectly, (i) accept, knowingly assist or otherwise knowingly further the successful completion of such transaction or (ii) purport to tender or deposit into any such transaction any of the Subject Securities, and, in the event the directors of the Company make a Change in Recommendation, the Securityholder will, if requested by the Parent, publicly affirm its commitment to vote in favour of the Arrangement in accordance with the terms of this Agreement.
- (e) Until the Expiry Time, the Securityholder will not, and will ensure that its affiliates do not, directly or indirectly, through any officer, director, employee, representative or agent or otherwise:
- (i) solicit proxies or become a participant in a solicitation in opposition to or in competition with the Purchaser in connection with the Arrangement;
 - (ii) assist any affiliate or knowingly assist any other Person in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit the Purchaser in connection with the Arrangement;
 - (iii) act jointly or in concert with others with respect to voting securities of the Company for the purpose of opposing or competing with the Purchaser in connection with the Arrangement;
 - (iv) solicit, initiate, knowingly assist, knowingly encourage or otherwise facilitate (including by way of entering into any agreement, arrangement or understanding), any inquiry, proposal or offer relating to any Acquisition Proposal or potential Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement);
 - (v) participate in any discussions or negotiations regarding any Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement);
 - (vi) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement, arrangement or understanding related to any Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement); or
 - (vii) cooperate in any way with, participate in or knowingly assist, knowingly encourage or otherwise facilitate any effort or attempt by any other Person to do or seek to do any of the foregoing.
- (f) The Securityholder will not (i) exercise any dissent rights in respect of the Arrangement; or (ii) take any other action of any kind, in each case which would reasonably be regarded as likely to reduce the success of, or materially delay or interfere with the completion of, the transactions contemplated by the Arrangement Agreement.
- (g) The Securityholder will, and will cause each of its affiliates to, immediately cease and cause to be terminated any existing discussions or negotiations with any parties with respect to any potential Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement).
- (h) Until the Expiry Time, at the request of the Purchaser, the Parent or the Company, the Securityholder will use all commercially reasonable efforts in its capacity as a Shareholder to assist the Company, the Purchaser and the Parent to make all regulatory filings required to complete the Arrangement and the other transactions contemplated by the Arrangement Agreement and this Agreement.
- (i) The Securityholder hereby consents to:
- (i) details of this Agreement being set out in any press release, information circular, including the Company Circular, and court documents produced by the Company, the Purchaser, the Parent or any of their respective affiliates in connection with the transactions contemplated by this Agreement and the Arrangement Agreement, provided that to the extent any such filing contains disclosure regarding the Securityholder or its affiliates, the Securityholder has been provided with a reasonable opportunity to review and comment on such disclosure and reasonable consideration has been given by the Purchaser to any such comments; and
 - (ii) this Agreement being made publicly available, including by filing on the System for Electronic Document Analysis and Retrieval (SEDAR) operated on behalf of the Canadian Securities Administrators and/or by filing with or furnishing to the SEC, provided that the parties agree that this Agreement, including schedules, will be filed in its entirety on SEDAR and/or filed with or furnished to the SEC, without redaction other than (A) certain facsimile information in Section 4.9(a) hereof and Section 11.7 [Notices] of the Arrangement Agreement; and (B) specific dollar amounts referred to in Section 6.1 [Conduct of Business] of the Arrangement Agreement.
- (j) Except as required by applicable Law or applicable stock exchange requirements, the Securityholder will not, and will ensure that its affiliates do not, make any public announcement with respect to the transactions contemplated herein or pursuant to the Arrangement Agreement without the prior written approval of the Purchaser.

3.2 Alternative Forms of Transaction

If the event that, in lieu of the Arrangement, the Purchaser, the Parent or the Company determines in its good faith judgment that it is necessary or desirable to complete the acquisition of the Company Shares pursuant to an Alternative Transaction (as defined below), then the Securityholder shall, during the term of this Agreement, upon request of the Purchaser or the Parent support the completion of such Alternative Transaction in the same manner as the Arrangement in accordance with the terms and conditions of this Agreement, including by depositing or causing the deposit of the Subject Securities into the Alternative Transaction and not withdrawing them. For the purposes of this Agreement, an "Alternative Transaction" means a take-over bid made by the Parent (or an affiliate) in compliance with applicable securities Laws, to all of the shareholders of the Company that satisfies each of the following conditions (a) it provides for economic terms which, in relation to the Securityholder, on an after-tax basis, are in all respects at least equivalent to or better than those contemplated by the Arrangement Agreement, (b) it provides for conditions that are not more onerous than those set forth in the Arrangement Agreement, (c) it expires (following any extensions) no later than the earlier of (i) 70 days from the date that the Purchaser commences any take-over bid, and (ii) the Deadline Date, (d) it is, from the perspective of the Securityholder acting reasonably, otherwise on terms not materially more onerous on the Securityholder than the Arrangement, and (e) it is subject to a minimum tender condition of at least 66²/₃% of the outstanding Company Shares that cannot be waived without the approval of the Securityholder.

Subject to Section 4.1, each of Purchaser and the Parent will (a) comply with its respective obligations under the Arrangement Agreement and (b) take all steps required of it to cause the Arrangement to occur in both cases in accordance with the terms of and subject to the conditions set forth in the Arrangement Agreement.

**ARTICLE 4
GENERAL**

4.1 Termination

This Agreement will automatically terminate upon written notice from any party hereto and be of no further force or effect upon the earliest to occur of:

- (a) the agreement in writing of the Purchaser, the Parent and the Securityholder;
- (b) the termination of the Arrangement Agreement in accordance with its terms, unless prior to or concurrently with the termination of the Arrangement Agreement, the Parent (or an affiliate) commences an Alternative Transaction;
- (c) written notice by the Securityholder to the Parent if:
 - (i) subject to Section 4.3, any representation or warranty of the Purchaser or the Parent under this Agreement is untrue or incorrect in any material respect;
 - (ii) without the prior written consent of the Securityholder, there is any decrease in, or change in the form of, the consideration as set out in the Arrangement Agreement, other than any adjustment to the consideration pursuant to the terms of the Arrangement Agreement;
 - (iii) without the prior written consent of the Securityholder, (A) the conditions to the consummation of the Arrangement as set forth in the Arrangement Agreement have been amended in a manner that is adverse to the Securityholder, or (B) the terms of the Arrangement Agreement have been otherwise varied in a manner that is materially adverse to the Securityholder; or
 - (iv) subject to Section 4.3, the Purchaser or the Parent has not complied in any material respect with its covenants contained herein;

provided that at the time of such termination, the Securityholder is not in material default in the performance of its obligations under this Agreement;

- (d) written notice by the Purchaser or the Parent to the Securityholder if:
 - (i) subject to Section 4.3, any representation or warranty of the Securityholder under this Agreement is untrue or incorrect in any material respect; or
 - (ii) the Securityholder has not complied in any material respect with its covenants contained herein;

provided that at the time of such termination, neither the Purchaser nor the Parent is in material default in the performance of its obligations under this Agreement; and

- (e) the Deadline Date, if the conditions provided in Section 3.1 [Mutual Conditions] or Section 3.2 [Conditions in Favour of Company] of the Arrangement Agreement have not been satisfied by the Parent or Purchaser or waived by Company on or before the Deadline Date, provided however that this Agreement shall not terminate pursuant to this Section 4.1(e) if the Company's failure to fulfill any of its obligations under the Arrangement Agreement or if its breach of any of its representations and warranties under the Arrangement Agreement has been the cause of, or resulted in, the failure of the consummation of the Arrangement to occur by the Deadline Date.

4.2 Time of the Essence

Any date, time or period referred to in this Agreement will be of the essence, except to the extent to which the Securityholder, the Purchaser and the Parent agree in writing to vary any date, time or period, in which event the varied date, time or period will be of the essence.

4.3 Notice and Cure Provisions

- (a) Each party will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the termination of this Agreement of any event or state of facts which occurrence or failure would, or would be likely to give rise to a right of termination by the other party pursuant to Sections 4.1(c) or 4.1(d). Notification provided under this Section 4.3 will not affect the representations, warranties, covenants, agreements or obligations of the parties (or remedies with respect thereto).
- (b) The Securityholder may not exercise its right to terminate this Agreement pursuant to Sections 4.1(c)(i) or 4.1(c)(iv) and the Purchaser or the Parent may not exercise its right to terminate this Agreement pursuant to Section 4.1(d) unless the party seeking to terminate the Agreement delivers a written notice to the other party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the termination right. If any such notice is delivered prior to the Company Meeting, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may exercise such termination right until the earlier of (a) two Business Days prior to the Company Meeting, and (b) the date that is 10 Business Days following receipt of such notice by the party to whom the notice was delivered, if such matter has not been cured by such date. If any such notice is delivered after the date of the Company Meeting, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may exercise such termination right until the earlier of (a) five Business Days prior to the Deadline Date, and (b) the date that is 10 Business Days following receipt of such notice by the Party to whom the notice was delivered.

4.4 Effect of Termination

If this Agreement is terminated in accordance with the provisions of Section 4.1, no party will have any further liability to perform its obligations under this Agreement, provided that neither the termination of this Agreement nor anything contained in Section 4.1 will relieve any party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants made herein.

4.5 Equitable Relief

- (a) The parties hereby agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached, and that money damages or other legal remedies would not be an adequate remedy for any such damages. Accordingly, the parties acknowledge and hereby agree that in the event of any breach or threatened breach by the Securityholder, on the one hand, or the Purchaser or the Parent, on the other hand, of any of their respective covenants or obligations set forth in this Agreement, the Securityholder, on the one hand, and the Purchaser or the Parent, on the other hand, shall be entitled to an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement by the other, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other under this Agreement. Each of the parties hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches or threatened breaches of this Agreement by it, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other parties under this Agreement.
- (b) The parties hereto further agree that (x) by seeking the remedies provided for in this Section 4.5, a party shall not in any respect waive its right to seek any other form of relief that may be available to a party under this Agreement in the event that this Agreement has been terminated or in the event that the remedies provided for in this Section 4.5 are not available or otherwise are not granted, and (y) nothing set forth in this Section 4.5 shall require any party hereto to institute any proceeding for (or limit any party's right to institute any proceeding for) specific performance under this Section 4.5 prior to or as a condition to exercising any termination right under Section 4.1 (and pursuing damages after such termination), nor shall the commencement of any legal proceeding restrict or limit any party's right to terminate this Agreement in accordance with the terms of Section 4.1 or pursue any other remedies under this Agreement that may be available then or thereafter.

4.6 Waiver; Amendment

Each party hereto agrees and confirms that any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by all of the parties or in the case of a waiver, by the party against whom the waiver is to be effective and no failure or delay by any party in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No waiver of any of the provisions of this Agreement will be deemed to constitute a waiver of any other provision (whether or not similar).

4.7 Entire Agreement

This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings among the parties with respect thereto.

4.8 Survival of Representations, Warranties and Covenants

The representations and warranties of the parties set out in Article 2 shall survive the closing of the Arrangement Agreement and remain in full force and effect for 18 months thereafter. This Section 4.8 shall not limit any covenant or agreement of the parties, which by its terms contemplates performance after the Effective Time.

4.9 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (each, a "**Notice**") will be in writing and will be sufficiently given if delivered (whether in person or other personal method of delivery) or if sent by prepaid overnight courier:

- (a) if to the Purchaser or the Parent:

Emergent BioSolutions Inc.
General Counsel
2273 Research Boulevard, Suite 400
Rockville, Maryland 20850
United States

Attention: General Counsel
Facsimile: 301-795-6783

with a copy (which will not constitute notice) to:

DLA Piper LLP (US)
The Marbury Building
6225 Smith Avenue
Baltimore, Maryland 21209-3600
United States

Attention: Howard S. Schwartz
Facsimile: 410-580-3251

and to:

McCarthy Tétrault LLP
66 Wellington Street West
Suite 5300
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Attention: Graham P.C. Gow
Ian Michael
Facsimile: 416-868-0673

- (b) if to the Securityholder:

Sherman Foundation
2700-700 W Georgia St
Vancouver BC V7Y 1B8

Canada

Attention: Robert W. Pakrul
Facsimile: 604-484-9720

and to (which will not constitute notice):

Global Legal Department
Apotex Holdings Inc.
150 Signet Drive
Toronto, ON M9L 1T9

Attention: General Counsel
Facsimile: 416-401-3808

Any notice sent by prepaid overnight courier will be deemed to have been delivered as of the following Business Day. Any party hereto may, from time to time, change its address by giving Notice to the other parties in accordance with the provisions of this Section.

4.10 Severability

To the extent permitted by applicable Law, the parties waive any provision of applicable Law which renders any provision of this Agreement invalid or unenforceable in any respect. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable Law or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are fulfilled to the fullest extent possible.

4.11 Successors and Assigns

The provisions of this Agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors, permitted assigns and legal personal representatives, provided that no party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other parties hereto.

4.12 Expenses

Each party will pay all costs and expenses (including the fees and disbursements of legal counsel and other advisers) it incurs in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated by this Agreement provided that each party (the "breaching party") shall pay the fees and disbursements of legal counsel to another party (the "non-breaching party") to the extent related to any Proceedings brought by a non-breaching party to enforce this Agreement as a result of a breach of any provision of this Agreement by the breaching party.

4.13 Independent Legal Advice

Each of the parties hereby acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that they have either done so or waived their right to do so in connection with the entering into of this Agreement.

4.14 Further Assurances

The parties hereto will, with reasonable diligence, do all things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each party will provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after the Effective Time.

4.15 Language

The parties expressly acknowledge that they have requested that this Agreement and all ancillary and related documents thereto be drafted in the English language only. Les parties aux présentes reconnaissent avoir exigé que la présente entente et tous les documents qui y sont accessoires soient rédigés en anglais seulement.

4.16 Execution and Delivery

This Agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile or other electronic means and all the counterparts and facsimiles or other electronic copies together constitute one and the same agreement, and such facsimile or other electronic copies will be legally effective to create a valid and binding agreement between the parties.

4.17 Fiduciary Duties

For the avoidance of doubt, nothing in this Agreement shall limit any individual who is a director or officer of Company or any of its Subsidiaries from performing his or her fiduciary duties as a director or an officer of Company or any such Subsidiary, including for greater certainty, doing any act or thing permitted by the Arrangement Agreement, and no action taken by any such individual described pursuant to this Section 4.17 shall constitute a breach of this Agreement by the Securityholder or any of its affiliates.

[The remainder of this page has been intentionally left blank.]

IN WITNESS OF WHICH the parties have executed this Agreement.

--

2396638 Ontario Inc.

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: Vice President

Sherman Foundation

By: /s/ BERNARD C. SHERMAN
Name: Bernard C. Sherman
Title: Chairman

Emergent BioSolutions Inc.

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: President and Chief Executive Officer

SCHEDULE "A"
COMPANY SHARES

Securityholder	Company Shares
Apotex Inc.	57,315 common shares
Apotex Holdings Inc.	24,500,493 common shares
Sherman Foundation	15,392,822 common shares
Apotex Foundation	787,157 common shares
Bernard C. Sherman	135,000 common shares

SCHEDULE "B"
ARRANGEMENT AGREEMENT

VOTING SUPPORT AGREEMENT

THIS AGREEMENT is made as of December 11, 2013.

BETWEEN:

2396638 Ontario Inc., a corporation existing under the laws of Ontario, Canada (the "Purchaser")

- and -

Apotex Foundation, a non-profit society existing under the laws of British Columbia, Canada (the "Securityholder")

- and -

Emergent BioSolutions Inc., a corporation existing under the laws of Delaware, USA (the "Parent")

RECITALS:

1. The Securityholder is the beneficial owner, directly or indirectly, of certain Company Shares.
2. The Securityholder understands that the Company, the Purchaser and the Parent have entered into the Arrangement Agreement.
3. This Agreement sets out, among other things, the terms and conditions of the agreement of the Securityholder to abide by the covenants in respect of the Subject Securities and the other restrictions and covenants set forth herein.
4. The Parent owns all of the outstanding securities of the Purchaser.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Arrangement Agreement. In this Agreement, including the recitals:

"**affiliate**" of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly, and "**control**" and any derivation thereof means the holding of voting securities of another entity sufficient to elect a majority of the board of directors (or the equivalent) of such entity; provided that, notwithstanding the foregoing, the Company and each of its Subsidiaries shall be deemed to not be an affiliate of the Securityholder or any of its affiliates;

"**Arrangement Agreement**" means the arrangement agreement dated December 11, 2013 between the Purchaser, the Company and the Parent, a copy of which is attached to this Agreement as Schedule "B";

"**Company**" means Cangene Corporation, a corporation existing under the laws of the Province of Ontario;

"**Deadline Date**" means (i) if Parent or Purchaser has not commenced an Alternative Transaction prior to June 30, 2014, then June 30, 2014, and (ii) if Parent or Purchaser has commenced an Alternative Transaction prior to June 30, 2014, the earlier of (A) the termination of the Alternative Transaction and (B) July 31, 2014;

"**Expiry Time**" has the meaning ascribed thereto in Section 3.1(a);

"**Governmental Entity**" means any national, supra-national, federal, state, municipal, local or foreign government, or any court, tribunal, arbitrator, administrative agency, commission or other governmental or quasi-governmental authority or instrumentality, including any government-owned or government-controlled enterprise, in each case whether domestic or foreign, any stock exchange or similar self-regulatory organization or any quasi-governmental body exercising any regulatory, taxing or other governmental or quasi-governmental authority;

"**Law**" means all United States or foreign federal, state, national, supra-national, provincial, municipal or local laws, constitutions, statutes, codes, rules, common law, regulations, ordinances, executive orders, treaties, decrees or edicts by a Governmental Entity having the force of law;

"**Notice**" has the meaning ascribed thereto in Section 4.9;

"**Subject Securities**" means the Company Shares currently owned by the Securityholder as specified in Schedule "A" hereto, and any other Company Shares acquired by the Securityholder or any of its affiliates subsequent to the date hereof, and will include all securities which such Subject Securities may be converted into, exchanged for or otherwise changed into;

1.2 Singular; Plural, etc.

In this Agreement, words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.3 Currency

Unless otherwise expressly stated, all references to currency herein will be deemed to be references to U.S. currency.

1.4 Headings, etc.

The division of this Agreement into Articles, Sections and Schedules and the insertion of the recitals and headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement or in the Schedules hereto to Articles, Sections and Schedules refer to Articles, Sections and Schedules of and to this Agreement or of the Schedules in which such reference is made, as applicable.

1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day. In this Agreement, references from or through any date mean, unless otherwise specified, from and including that date and/or through and including that date, respectively.

1.6 Governing Law

This Agreement will be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the laws of Canada applicable therein, and will be construed and treated in all respects as an Ontario contract. Each of the parties hereby irrevocably attorns to the exclusive jurisdiction of the Courts of the Province of Ontario in respect of all matters arising under and in relation to this Agreement.

1.7 Incorporation of Schedules

Each of Schedules "A" and "B" attached hereto, for all purposes hereof, forms an integral part of this Agreement.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of the Securityholder

The Securityholder represents and warrants to the Purchaser and the Parent (and acknowledges that they are relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) the matters set out below:

- (a) The Securityholder has been duly created and is a valid and subsisting non-profit society under the laws of the Province of British Columbia, Canada.
- (b) The Securityholder has all necessary power, authority, capacity and right to enter into this Agreement and to carry out each of its obligations under this Agreement. This Agreement has been duly executed and delivered by the Securityholder and constitutes a legal, valid and binding obligation of the Securityholder enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (c) The Securityholder owns all of the Subject Securities. Other than the Subject Securities, and other Company Shares that are governed by the other Voting Support Agreements being entered into concurrently with this Agreement by the entities and individuals and in the amounts as specified in Schedule A, neither the Securityholder nor any of its affiliates, beneficially own, or exercise control or direction over any additional securities, or any securities convertible or exchangeable into any additional securities, of the Company or any of its affiliates.
- (d) Currently the Securityholder is, and at the time at which the Subject Securities are acquired by the Purchaser under the Arrangement will be, the sole beneficial owner of the Subject Securities, with good and marketable title thereto, free and clear of all Liens.
- (e) The Securityholder has the sole right to sell and vote or direct the sale and voting of the Subject Securities.
- (f) No Person has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of the Subject Securities or any interest therein or right thereto, except the Purchaser pursuant to the Arrangement.
- (g) No consent, approval, order or authorization of, or declaration or filing with, any Person is required to be obtained by the Securityholder in connection with the execution and delivery of this Agreement by the Securityholder and the performance by it of its obligations under this Agreement.
- (h) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Securityholder, threatened against the Securityholder or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Securityholder's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.
- (i) None of the Subject Securities is subject to any proxy, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of any of the Company's securityholders or give consents or approvals of any kind.
- (j) None of the execution and delivery by the Securityholder of this Agreement or the completion of the transactions contemplated hereby or the compliance by the Securityholder with its obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Securityholder; (ii) any contract to which the Securityholder is a party or by which the Securityholder is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Law.

2.2 Representations and Warranties of the Purchaser and Parent

The Purchaser and the Parent jointly and severally represent and warrant to the Securityholder (and acknowledge that the Securityholder is relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) the matters set out below:

- (a) The Purchaser is a corporation duly incorporated and validly existing under the laws of Ontario, Canada and has all necessary corporate power, authority and capacity to enter into this Agreement. The execution and delivery of this Agreement and the performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (b) None of the execution and delivery by the Purchaser of this Agreement or the compliance by the Purchaser with the Purchaser's obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Purchaser; (ii) any contract to which the Purchaser is a party or by which the Purchaser is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Laws.
- (c) No material consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement, the performance by it of its obligations under this Agreement and the consummation by the Purchaser of the Arrangement, other than those which are contemplated by the Arrangement Agreement.
- (d) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Purchaser, threatened against the Purchaser or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Purchaser's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.
- (e) The Parent is a corporation duly incorporated and validly existing under the laws of Delaware, USA and has all necessary corporate power, authority and capacity to enter into this Agreement. The execution and delivery of this Agreement and the performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Parent. This Agreement constitutes a legal, valid and binding obligation of the Parent enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (f) None of the execution and delivery by the Parent of this Agreement or the compliance by the Parent with the Parent's obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Parent; (ii) any contract to which the Parent is a party or by which the Parent is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Laws.
- (g) No material consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by the Parent in connection with the execution and delivery of this Agreement, the performance by it of its obligations under this Agreement and the consummation by the Parent of the Arrangement, other than those which are contemplated by the Arrangement Agreement.
- (h) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Parent, threatened against the Parent or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Parent's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.

ARTICLE 3 COVENANTS

3.1 Covenants of the Securityholder

- (a) The Securityholder hereby covenants with the Purchaser and the Parent that from the date of this Agreement until the earlier of the termination of this Agreement in accordance with its terms and the Effective Time (the "**Expiry Time**"), the Securityholder will not:
 - (i) without having first obtained the prior written consent of the Parent, which consent shall not be unreasonably withheld, sell, transfer, gift, assign, convey, pledge, hypothecate, encumber, option or otherwise dispose of any right or interest in any of the Subject Securities or enter into any agreement, arrangement, commitment or understanding in connection therewith, other than (A) pursuant to the Arrangement or (B) transfers to or between affiliates of the Securityholder (provided that (1) the Securityholder will notify Parent of any such transfer; (2) such

transfer does not relieve the Securityholder of any of its obligations under this Agreement with respect to the Subject Securities; and (3) any affiliate of the Securityholder will be required, in Parent's sole discretion, to enter into an agreement with Purchaser and the Parent substantially in the form of this Agreement with respect to all of such Subject Securities);

- (ii) other than as set forth herein, grant or agree to grant any proxies or powers of attorney, deposit any Subject Securities into a voting trust or pooling agreement, or enter into a voting agreement, commitment, understanding or arrangement, oral or written, with respect to the voting of any Subject Securities; or
 - (iii) requisition or join in the requisition of any meeting of any of the securityholders of the Company for the purpose of considering any resolution.
- (b) The Securityholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to vote (or cause to be voted) all the Subject Securities:
- (i) at any meeting of any of the securityholders of the Company at which the Securityholder is entitled to vote, including the Company Meeting; and
 - (ii) in any action by written consent of the securityholders of the Company,

in favour of the approval, consent, ratification and adoption of the Arrangement Resolution and the transactions contemplated by the Arrangement Agreement (and any actions required for the consummation of the transactions contemplated by the Arrangement Agreement). In connection with the foregoing, subject to this Section 3.1(b), the Securityholder hereby agrees to deposit a proxy, or voting instruction form, as the case may be, duly completed and executed in respect of all of the Subject Securities as soon as practicable following the mailing of the Company Circular and in any event at least 10 calendar days following such mailing, voting all such Subject Securities in favour of the Arrangement Resolution. The Securityholder hereby agrees that it will not take, nor permit any Person on its behalf to take, any action to withdraw, amend or invalidate any proxy or voting instruction form deposited pursuant to this Agreement notwithstanding any statutory or other rights or otherwise which the Securityholder might have unless this Agreement has at such time been previously terminated in accordance with Section 4.1.

- (c) The Securityholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to vote (or cause to be voted) the Subject Securities against any proposed action by the Company, its Shareholders, any of the Company's Subsidiaries or any other Person: (i) in respect of any Acquisition Proposal or Superior Proposal or other merger, take-over bid, amalgamation, plan of arrangement, business combination or similar transaction involving the Company or any Subsidiary of the Company, other than the Arrangement; (ii) which would reasonably be regarded as being directed towards or likely to prevent or delay the successful completion of the Arrangement, including without limitation any amendment to the articles or by-laws of the Company or any of its affiliates or their respective corporate structures; or (iii) any action or agreement that would result in a breach of any representation, warranty, covenant or other obligation of the Company under the Arrangement Agreement if such breach requires Shareholder approval;
- (d) Until the Expiry Time, the Securityholder hereby covenants, undertakes and agrees, in the event that any transaction other than the Arrangement is presented for approval of, or acceptance by, the Shareholders, whether or not it may be recommended by the Company's directors, not to directly or indirectly, (i) accept, knowingly assist or otherwise knowingly further the successful completion of such transaction or (ii) purport to tender or deposit into any such transaction any of the Subject Securities, and, in the event the directors of the Company make a Change in Recommendation, the Securityholder will, if requested by the Parent, publicly affirm its commitment to vote in favour of the Arrangement in accordance with the terms of this Agreement.
- (e) Until the Expiry Time, the Securityholder will not, and will ensure that its affiliates do not, directly or indirectly, through any officer, director, employee, representative or agent or otherwise:
- (i) solicit proxies or become a participant in a solicitation in opposition to or in competition with the Purchaser in connection with the Arrangement;
 - (ii) assist any affiliate or knowingly assist any other Person in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit the Purchaser in connection with the Arrangement;
 - (iii) act jointly or in concert with others with respect to voting securities of the Company for the purpose of opposing or competing with the Purchaser in connection with the Arrangement;
 - (iv) solicit, initiate, knowingly assist, knowingly encourage or otherwise facilitate (including by way of entering into any agreement, arrangement or understanding), any inquiry, proposal or offer relating to any Acquisition Proposal or potential Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement);
 - (v) participate in any discussions or negotiations regarding any Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement);
 - (vi) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement, arrangement or understanding related to any Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement); or
 - (vii) cooperate in any way with, participate in or knowingly assist, knowingly encourage or otherwise facilitate any effort or attempt by any other Person to do or seek to do any of the foregoing.
- (f) The Securityholder will not (i) exercise any dissent rights in respect of the Arrangement; or (ii) take any other action of any kind, in each case which would reasonably be regarded as likely to reduce the success of, or materially delay or interfere with the completion of, the transactions contemplated by the Arrangement Agreement.
- (g) The Securityholder will, and will cause each of its affiliates to, immediately cease and cause to be terminated any existing discussions or negotiations with any parties with respect to any potential Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement).
- (h) Until the Expiry Time, at the request of the Purchaser, the Parent or the Company, the Securityholder will use all commercially reasonable efforts in its capacity as a Shareholder to assist the Company, the Purchaser and the Parent to make all regulatory filings required to complete the Arrangement and the other transactions contemplated by the Arrangement Agreement and this Agreement.
- (i) The Securityholder hereby consents to:
- (i) details of this Agreement being set out in any press release, information circular, including the Company Circular, and court documents produced by the Company, the Purchaser, the Parent or any of their respective affiliates in connection with the transactions contemplated by this Agreement and the Arrangement Agreement, provided that to the extent any such filing contains disclosure regarding the Securityholder or its affiliates, the Securityholder has been provided with a reasonable opportunity to review and comment on such disclosure and reasonable consideration has been given by the Purchaser to any such comments; and
 - (ii) this Agreement being made publicly available, including by filing on the System for Electronic Document Analysis and Retrieval (SEDAR) operated on behalf of the Canadian Securities Administrators and/or by filing with or furnishing to the SEC, provided that the parties agree that this Agreement, including schedules, will be filed in its entirety on SEDAR and/or filed with or furnished to the SEC, without redaction other than (A) certain facsimile information in Section 4.9(a) hereof and Section 11.7 [Notices] of the Arrangement Agreement; and (B) specific dollar amounts referred to in Section 6.1 [Conduct of Business] of the Arrangement Agreement.
- (j) Except as required by applicable Law or applicable stock exchange requirements, the Securityholder will not, and will ensure that its affiliates do not, make any public announcement with respect to the transactions contemplated herein or pursuant to the Arrangement Agreement without the prior written approval of the Purchaser.

3.2 Alternative Forms of Transaction

If the event that, in lieu of the Arrangement, the Purchaser, the Parent or the Company determines in its good faith judgment that it is necessary or desirable to complete the acquisition of the Company Shares pursuant to an Alternative Transaction (as defined below), then the Securityholder shall, during the term of this Agreement, upon request of the Purchaser or the Parent support the completion of such Alternative Transaction in the same manner as the Arrangement in accordance with the terms and conditions of this Agreement, including by depositing or causing the deposit of the Subject Securities into the Alternative Transaction and not withdrawing them. For the purposes of this Agreement, an "Alternative Transaction" means a take-over bid made by the Parent (or an affiliate) in compliance with applicable securities Laws, to all of the shareholders of the Company that satisfies each of the following conditions (a) it provides for economic terms which, in relation to the Securityholder, on an after-tax basis, are in all respects at least equivalent to or better than those contemplated by the Arrangement Agreement, (b) it provides for conditions that are not more onerous than those set forth in the Arrangement Agreement, (c) it expires (following any extensions) no later than the earlier of (i) 70 days from the date that the Purchaser commences any take-over bid, and (ii) the Deadline Date, (d) it is, from the perspective of the Securityholder acting reasonably, otherwise on terms not materially more onerous on the Securityholder than the Arrangement, and (e) it is subject to a minimum tender condition of at least 66²/₃% of the outstanding Company Shares that cannot be waived without the approval of the Securityholder.

Subject to Section 4.1, each of Purchaser and the Parent will (a) comply with its respective obligations under the Arrangement Agreement and (b) take all steps required of it to cause the Arrangement to occur in both cases in accordance with the terms of and subject to the conditions set forth in the Arrangement Agreement.

**ARTICLE 4
GENERAL**

4.1 Termination

This Agreement will automatically terminate upon written notice from any party hereto and be of no further force or effect upon the earliest to occur of:

- (a) the agreement in writing of the Purchaser, the Parent and the Securityholder;
- (b) the termination of the Arrangement Agreement in accordance with its terms, unless prior to or concurrently with the termination of the Arrangement Agreement, the Parent (or an affiliate) commences an Alternative Transaction;
- (c) written notice by the Securityholder to the Parent if:
 - (i) subject to Section 4.3, any representation or warranty of the Purchaser or the Parent under this Agreement is untrue or incorrect in any material respect;
 - (ii) without the prior written consent of the Securityholder, there is any decrease in, or change in the form of, the consideration as set out in the Arrangement Agreement, other than any adjustment to the consideration pursuant to the terms of the Arrangement Agreement;
 - (iii) without the prior written consent of the Securityholder, (A) the conditions to the consummation of the Arrangement as set forth in the Arrangement Agreement have been amended in a manner that is adverse to the Securityholder, or (B) the terms of the Arrangement Agreement have been otherwise varied in a manner that is materially adverse to the Securityholder; or
 - (iv) subject to Section 4.3, the Purchaser or the Parent has not complied in any material respect with its covenants contained herein;

provided that at the time of such termination, the Securityholder is not in material default in the performance of its obligations under this Agreement;

- (d) written notice by the Purchaser or the Parent to the Securityholder if:
 - (i) subject to Section 4.3, any representation or warranty of the Securityholder under this Agreement is untrue or incorrect in any material respect; or
 - (ii) the Securityholder has not complied in any material respect with its covenants contained herein;

provided that at the time of such termination, neither the Purchaser nor the Parent is in material default in the performance of its obligations under this Agreement; and

- (e) the Deadline Date, if the conditions provided in Section 3.1 [Mutual Conditions] or Section 3.2 [Conditions in Favour of Company] of the Arrangement Agreement have not been satisfied by the Parent or Purchaser or waived by Company on or before the Deadline Date, provided however that this Agreement shall not terminate pursuant to this Section 4.1(e) if the Company's failure to fulfill any of its obligations under the Arrangement Agreement or if its breach of any of its representations and warranties under the Arrangement Agreement has been the cause of, or resulted in, the failure of the consummation of the Arrangement to occur by the Deadline Date.

4.2 Time of the Essence

Any date, time or period referred to in this Agreement will be of the essence, except to the extent to which the Securityholder, the Purchaser and the Parent agree in writing to vary any date, time or period, in which event the varied date, time or period will be of the essence.

4.3 Notice and Cure Provisions

- (a) Each party will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the termination of this Agreement of any event or state of facts which occurrence or failure would, or would be likely to give rise to a right of termination by the other party pursuant to Sections 4.1(c) or 4.1(d). Notification provided under this Section 4.3 will not affect the representations, warranties, covenants, agreements or obligations of the parties (or remedies with respect thereto).
- (b) The Securityholder may not exercise its right to terminate this Agreement pursuant to Sections 4.1(c)(i) or 4.1(c)(iv) and the Purchaser or the Parent may not exercise its right to terminate this Agreement pursuant to Section 4.1(d) unless the party seeking to terminate the Agreement delivers a written notice to the other party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the termination right. If any such notice is delivered prior to the Company Meeting, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may exercise such termination right until the earlier of (a) two Business Days prior to the Company Meeting, and (b) the date that is 10 Business Days following receipt of such notice by the party to whom the notice was delivered, if such matter has not been cured by such date. If any such notice is delivered after the date of the Company Meeting, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may exercise such termination right until the earlier of (a) five Business Days prior to the Deadline Date, and (b) the date that is 10 Business Days following receipt of such notice by the Party to whom the notice was delivered.

4.4 Effect of Termination

If this Agreement is terminated in accordance with the provisions of Section 4.1, no party will have any further liability to perform its obligations under this Agreement, provided that neither the termination of this Agreement nor anything contained in Section 4.1 will relieve any party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants made herein.

4.5 Equitable Relief

- (a) The parties hereby agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached, and that money damages or other legal remedies would not be an adequate remedy for any such damages. Accordingly, the parties acknowledge and hereby agree that in the event of any breach or threatened breach by the Securityholder, on the one hand, or the Purchaser or the Parent, on the other hand, of any of their respective covenants or obligations set forth in this Agreement, the Securityholder, on the one hand, and the Purchaser or the Parent, on the other hand, shall be entitled to an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement by the other, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other under this Agreement. Each of the parties hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches or threatened breaches of this Agreement by it, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other parties under this Agreement.
- (b) The parties hereto further agree that (x) by seeking the remedies provided for in this Section 4.5, a party shall not in any respect waive its right to seek any other form of relief that may be available to a party under this Agreement in the event that this Agreement has been terminated or in the event that the remedies provided for in this Section 4.5 are not available or otherwise are not granted, and (y) nothing set forth in this Section 4.5 shall require any party hereto to institute any proceeding for (or limit any party's right to institute any proceeding for) specific performance under this Section 4.5 prior to or as a condition to exercising any termination right under Section 4.1 (and pursuing damages after such termination), nor shall the commencement of any legal proceeding restrict or limit any party's right to terminate this Agreement in accordance with the terms of Section 4.1 or pursue any other remedies under this Agreement that may be available then or thereafter.

4.6 Waiver; Amendment

Each party hereto agrees and confirms that any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by all of the parties or in the case of a waiver, by the party against whom the waiver is to be effective and no failure or delay by any party in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No waiver of any of the provisions of this Agreement will be deemed to constitute a waiver of any other provision (whether or not similar).

4.7 Entire Agreement

This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings among the parties with respect thereto.

4.8 Survival of Representations, Warranties and Covenants

The representations and warranties of the parties set out in Article 2 shall survive the closing of the Arrangement Agreement and remain in full force and effect for 18 months thereafter. This Section 4.8 shall not limit any covenant or agreement of the parties, which by its terms contemplates performance after the Effective Time.

4.9 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (each, a "**Notice**") will be in writing and will be sufficiently given if delivered (whether in person or other personal method of delivery) or if sent by prepaid overnight courier:

- (a) if to the Purchaser or the Parent:

Emergent BioSolutions Inc.
General Counsel
2273 Research Boulevard, Suite 400
Rockville, Maryland 20850
United States

Attention: General Counsel
Facsimile: 301-795-6783

with a copy (which will not constitute notice) to:

DLA Piper LLP (US)
The Marbury Building
6225 Smith Avenue
Baltimore, Maryland 21209-3600
United States

Attention: Howard S. Schwartz
Facsimile: 410-580-3251

and to:

McCarthy Tétrault LLP
66 Wellington Street West
Suite 5300
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Attention: Graham P.C. Gow
Ian Michael
Facsimile: 416-868-0673

- (b) if to the Securityholder:

Apotex Foundation
2700-700 W Georgia St
Vancouver BC V7Y 1B8

Canada

Attention: Robert W. Pakrul
Facsimile: 604-484-9720

and to (which will not constitute notice):

Global Legal Department
Apotex Holdings Inc.
150 Signet Drive
Toronto, ON M9L 1T9

Attention: General Counsel
Facsimile: 416-401-3808

Any notice sent by prepaid overnight courier will be deemed to have been delivered as of the following Business Day. Any party hereto may, from time to time, change its address by giving Notice to the other parties in accordance with the provisions of this Section.

4.10 Severability

To the extent permitted by applicable Law, the parties waive any provision of applicable Law which renders any provision of this Agreement invalid or unenforceable in any respect. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable Law or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are fulfilled to the fullest extent possible.

4.11 Successors and Assigns

The provisions of this Agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors, permitted assigns and legal personal representatives, provided that no party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other parties hereto.

4.12 Expenses

Each party will pay all costs and expenses (including the fees and disbursements of legal counsel and other advisers) it incurs in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated by this Agreement provided that each party (the "breaching party") shall pay the fees and disbursements of legal counsel to another party (the "non-breaching party") to the extent related to any Proceedings brought by a non-breaching party to enforce this Agreement as a result of a breach of any provision of this Agreement by the breaching party.

4.13 Independent Legal Advice

Each of the parties hereby acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that they have either done so or waived their right to do so in connection with the entering into of this Agreement.

4.14 Further Assurances

The parties hereto will, with reasonable diligence, do all things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each party will provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after the Effective Time.

4.15 Language

The parties expressly acknowledge that they have requested that this Agreement and all ancillary and related documents thereto be drafted in the English language only. Les parties aux présentes reconnaissent avoir exigé que la présente entente et tous les documents qui y sont accessoires soient rédigés en anglais seulement.

4.16 Execution and Delivery

This Agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile or other electronic means and all the counterparts and facsimiles or other electronic copies together constitute one and the same agreement, and such facsimile or other electronic copies will be legally effective to create a valid and binding agreement between the parties.

4.17 Fiduciary Duties

For the avoidance of doubt, nothing in this Agreement shall limit any individual who is a director or officer of Company or any of its Subsidiaries from performing his or her fiduciary duties as a director or an officer of Company or any such Subsidiary, including for greater certainty, doing any act or thing permitted by the Arrangement Agreement, and no action taken by any such individual described pursuant to this Section 4.17 shall constitute a breach of this Agreement by the Securityholder or any of its affiliates.

[The remainder of this page has been intentionally left blank.]

IN WITNESS OF WHICH the parties have executed this Agreement.

2396638 Ontario Inc.

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: Vice President

Apotex Foundation

By: /s/ BERNARD C. SHERMAN
Name: Bernard C. Sherman
Title: Chairman

Emergent BioSolutions Inc.

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: President and Chief Executive Officer

SCHEDULE "A"
COMPANY SHARES

Securityholder	Company Shares
Apotex Inc.	57,315 common shares
Apotex Holdings Inc.	24,500,493 common shares
Sherman Foundation	15,392,822 common shares
Apotex Foundation	787,157 common shares
Bernard C. Sherman	135,000 common shares

SCHEDULE "B"
ARRANGEMENT AGREEMENT

VOTING SUPPORT AGREEMENT

THIS AGREEMENT is made as of December 11, 2013.

BETWEEN:

2396638 Ontario Inc., a corporation existing under the laws of Ontario, Canada (the "Purchaser")

- and -

Bernard C. Sherman, an individual and resident of Ontario, Canada (the "Securityholder")

- and -

Emergent BioSolutions Inc., a corporation existing under the laws of Delaware, USA (the "Parent")

RECITALS:

1. The Securityholder is the beneficial owner, directly or indirectly, of certain Company Shares.
2. The Securityholder understands that the Company, the Purchaser and the Parent have entered into the Arrangement Agreement.
3. This Agreement sets out, among other things, the terms and conditions of the agreement of the Securityholder to abide by the covenants in respect of the Subject Securities and the other restrictions and covenants set forth herein.
4. The Parent owns all of the outstanding securities of the Purchaser.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

Capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Arrangement Agreement. In this Agreement, including the recitals:

"**affiliate**" of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly, and "**control**" and any derivation thereof means the holding of voting securities of another entity sufficient to elect a majority of the board of directors (or the equivalent) of such entity; provided that, notwithstanding the foregoing, the Company and each of its Subsidiaries shall be deemed to not be an affiliate of the Securityholder or any of its affiliates;

"**Arrangement Agreement**" means the arrangement agreement dated December 11, 2013 between the Purchaser, the Company and the Parent, a copy of which is attached to this Agreement as Schedule "B";

"**Company**" means Cangene Corporation, a corporation existing under the laws of the Province of Ontario;

"**Deadline Date**" means (i) if Parent or Purchaser has not commenced an Alternative Transaction prior to June 30, 2014, then June 30, 2014, and (ii) if Parent or Purchaser has commenced an Alternative Transaction prior to June 30, 2014, the earlier of (A) the termination of the Alternative Transaction and (B) July 31, 2014;

"**Expiry Time**" has the meaning ascribed thereto in Section 3.1(a);

"**Governmental Entity**" means any national, supra-national, federal, state, municipal, local or foreign government, or any court, tribunal, arbitrator, administrative agency, commission or other governmental or quasi-governmental authority or instrumentality, including any government-owned or government-controlled enterprise, in each case whether domestic or foreign, any stock exchange or similar self-regulatory organization or any quasi-governmental body exercising any regulatory, taxing or other governmental or quasi-governmental authority;

"**Law**" means all United States or foreign federal, state, national, supra-national, provincial, municipal or local laws, constitutions, statutes, codes, rules, common law, regulations, ordinances, executive orders, treaties, decrees or edicts by a Governmental Entity having the force of law;

"**Notice**" has the meaning ascribed thereto in Section 4.9;

"**Subject Securities**" means the Company Shares currently owned by the Securityholder as specified in Schedule "A" hereto, and any other Company Shares acquired by the Securityholder or any of its affiliates subsequent to the date hereof, and will include all securities which such Subject Securities may be converted into, exchanged for or otherwise changed into;

1.2 Singular; Plural, etc.

In this Agreement, words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.3 Currency

Unless otherwise expressly stated, all references to currency herein will be deemed to be references to U.S. currency.

1.4 Headings, etc.

The division of this Agreement into Articles, Sections and Schedules and the insertion of the recitals and headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement or in the Schedules hereto to Articles, Sections and Schedules refer to Articles, Sections and Schedules of and to this Agreement or of the Schedules in which such reference is made, as applicable.

1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day. In this Agreement, references from or through any date mean, unless otherwise specified, from and including that date and/or through and including that date, respectively.

1.6 Governing Law

This Agreement will be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the laws of Canada applicable therein, and will be construed and treated in all respects as an Ontario contract. Each of the parties hereby irrevocably attorns to the exclusive jurisdiction of the Courts of the Province of Ontario in respect of all matters arising under and in relation to this Agreement.

1.7 Incorporation of Schedules

Each of Schedules "A" and "B" attached hereto, for all purposes hereof, forms an integral part of this Agreement.

**ARTICLE 2
REPRESENTATIONS AND WARRANTIES**

2.1 Representations and Warranties of the Securityholder

The Securityholder represents and warrants to the Purchaser and the Parent (and acknowledges that they are relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) the matters set out below:

- (a) The Securityholder is an individual and resident in the Province of Ontario, Canada.
- (b) The Securityholder has all necessary power, authority, capacity and right to enter into this Agreement and to carry out each of its obligations under this Agreement. This Agreement has been duly executed and delivered by the Securityholder and constitutes a legal, valid and binding obligation of the Securityholder enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (c) The Securityholder owns all of the Subject Securities. Other than the Subject Securities, and other Company Shares that are governed by the other Voting Support Agreements being entered into concurrently with this Agreement by the entities and individuals and in the amounts as specified in Schedule A, neither the Securityholder nor any of its affiliates, beneficially own, or exercise control or direction over any additional securities, or any securities convertible or exchangeable into any additional securities, of the Company or any of its affiliates.
- (d) Currently the Securityholder is, and at the time at which the Subject Securities are acquired by the Purchaser under the Arrangement will be, the sole beneficial owner of the Subject Securities, with good and marketable title thereto, free and clear of all Liens.
- (e) The Securityholder has the sole right to sell and vote or direct the sale and voting of the Subject Securities.
- (f) No Person has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of the Subject Securities or any interest therein or right thereto, except the Purchaser pursuant to the Arrangement.
- (g) No consent, approval, order or authorization of, or declaration or filing with, any Person is required to be obtained by the Securityholder in connection with the execution and delivery of this Agreement by the Securityholder and the performance by it of its obligations under this Agreement.
- (h) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Securityholder, threatened against the Securityholder or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Securityholder's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.
- (i) None of the Subject Securities is subject to any proxy, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of any of the Company's securityholders or give consents or approvals of any kind.
- (j) None of the execution and delivery by the Securityholder of this Agreement or the completion of the transactions contemplated hereby or the compliance by the Securityholder with its obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Securityholder; (ii) any contract to which the Securityholder is a party or by which the Securityholder is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Law.

2.2 Representations and Warranties of the Purchaser and Parent

The Purchaser and the Parent jointly and severally represent and warrant to the Securityholder (and acknowledge that the Securityholder is relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) the matters set out below:

- (a) The Purchaser is a corporation duly incorporated and validly existing under the laws of Ontario, Canada and has all necessary corporate power, authority and capacity to enter into this Agreement. The execution and delivery of this Agreement and the performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (b) None of the execution and delivery by the Purchaser of this Agreement or the compliance by the Purchaser with the Purchaser's obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Purchaser; (ii) any contract to which the Purchaser is a party or by which the Purchaser is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Laws.
- (c) No material consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement, the performance by it of its obligations under this Agreement and the consummation by the Purchaser of the Arrangement, other than those which are contemplated by the Arrangement Agreement.
- (d) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Purchaser, threatened against the Purchaser or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Purchaser's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.
- (e) The Parent is a corporation duly incorporated and validly existing under the laws of Delaware, USA and has all necessary corporate power, authority and capacity to enter into this Agreement. The execution and delivery of this Agreement and the performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Parent. This Agreement constitutes a legal, valid and binding obligation of the Parent enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (f) None of the execution and delivery by the Parent of this Agreement or the compliance by the Parent with the Parent's obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Parent; (ii) any contract to which the Parent is a party or by which the Parent is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Laws.
- (g) No material consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by the Parent in connection with the execution and delivery of this Agreement, the performance by it of its obligations under this Agreement and the consummation by the Parent of the Arrangement, other than those which are contemplated by the Arrangement Agreement.
- (h) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Parent, threatened against the Parent or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Parent's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.

ARTICLE 3 COVENANTS

3.1 Covenants of the Securityholder

- (a) The Securityholder hereby covenants with the Purchaser and the Parent that from the date of this Agreement until the earlier of the termination of this Agreement in accordance with its terms and the Effective Time (the "**Expiry Time**"), the Securityholder will not:
 - (i) without having first obtained the prior written consent of the Parent, which consent shall not be unreasonably withheld, sell, transfer, gift, assign, convey, pledge, hypothecate, encumber, option or otherwise dispose of any right or interest in any of the Subject Securities or enter into any agreement, arrangement, commitment or understanding in connection therewith, other than (A) pursuant to the Arrangement or (B) transfers to or between affiliates of the Securityholder (provided that (1) the Securityholder will notify Parent of any such transfer; (2) such

transfer does not relieve the Securityholder of any of its obligations under this Agreement with respect to the Subject Securities; and (3) any affiliate of the Securityholder will be required, in Parent's sole discretion, to enter into an agreement with Purchaser and the Parent substantially in the form of this Agreement with respect to all of such Subject Securities);

- (ii) other than as set forth herein, grant or agree to grant any proxies or powers of attorney, deposit any Subject Securities into a voting trust or pooling agreement, or enter into a voting agreement, commitment, understanding or arrangement, oral or written, with respect to the voting of any Subject Securities; or
 - (iii) requisition or join in the requisition of any meeting of any of the securityholders of the Company for the purpose of considering any resolution.
- (b) The Securityholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to vote (or cause to be voted) all the Subject Securities:
- (i) at any meeting of any of the securityholders of the Company at which the Securityholder is entitled to vote, including the Company Meeting; and
 - (ii) in any action by written consent of the securityholders of the Company,

in favour of the approval, consent, ratification and adoption of the Arrangement Resolution and the transactions contemplated by the Arrangement Agreement (and any actions required for the consummation of the transactions contemplated by the Arrangement Agreement). In connection with the foregoing, subject to this Section 3.1(b), the Securityholder hereby agrees to deposit a proxy, or voting instruction form, as the case may be, duly completed and executed in respect of all of the Subject Securities as soon as practicable following the mailing of the Company Circular and in any event at least 10 calendar days following such mailing, voting all such Subject Securities in favour of the Arrangement Resolution. The Securityholder hereby agrees that it will not take, nor permit any Person on its behalf to take, any action to withdraw, amend or invalidate any proxy or voting instruction form deposited pursuant to this Agreement notwithstanding any statutory or other rights or otherwise which the Securityholder might have unless this Agreement has at such time been previously terminated in accordance with Section 4.1.

- (c) The Securityholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to vote (or cause to be voted) the Subject Securities against any proposed action by the Company, its Shareholders, any of the Company's Subsidiaries or any other Person: (i) in respect of any Acquisition Proposal or Superior Proposal or other merger, take-over bid, amalgamation, plan of arrangement, business combination or similar transaction involving the Company or any Subsidiary of the Company, other than the Arrangement; (ii) which would reasonably be regarded as being directed towards or likely to prevent or delay the successful completion of the Arrangement, including without limitation any amendment to the articles or by-laws of the Company or any of its affiliates or their respective corporate structures; or (iii) any action or agreement that would result in a breach of any representation, warranty, covenant or other obligation of the Company under the Arrangement Agreement if such breach requires Shareholder approval;
- (d) Until the Expiry Time, the Securityholder hereby covenants, undertakes and agrees, in the event that any transaction other than the Arrangement is presented for approval of, or acceptance by, the Shareholders, whether or not it may be recommended by the Company's directors, not to directly or indirectly, (i) accept, knowingly assist or otherwise knowingly further the successful completion of such transaction or (ii) purport to tender or deposit into any such transaction any of the Subject Securities, and, in the event the directors of the Company make a Change in Recommendation, the Securityholder will, if requested by the Parent, publicly affirm its commitment to vote in favour of the Arrangement in accordance with the terms of this Agreement.
- (e) Until the Expiry Time, the Securityholder will not, and will ensure that its affiliates do not, directly or indirectly, through any officer, director, employee, representative or agent or otherwise:
- (i) solicit proxies or become a participant in a solicitation in opposition to or in competition with the Purchaser in connection with the Arrangement;
 - (ii) assist any affiliate or knowingly assist any other Person in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit the Purchaser in connection with the Arrangement;
 - (iii) act jointly or in concert with others with respect to voting securities of the Company for the purpose of opposing or competing with the Purchaser in connection with the Arrangement;
 - (iv) solicit, initiate, knowingly assist, knowingly encourage or otherwise facilitate (including by way of entering into any agreement, arrangement or understanding), any inquiry, proposal or offer relating to any Acquisition Proposal or potential Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement);
 - (v) participate in any discussions or negotiations regarding any Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement);
 - (vi) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement, arrangement or understanding related to any Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement); or
 - (vii) cooperate in any way with, participate in or knowingly assist, knowingly encourage or otherwise facilitate any effort or attempt by any other Person to do or seek to do any of the foregoing.
- (f) The Securityholder will not (i) exercise any dissent rights in respect of the Arrangement; or (ii) take any other action of any kind, in each case which would reasonably be regarded as likely to reduce the success of, or materially delay or interfere with the completion of, the transactions contemplated by the Arrangement Agreement.
- (g) The Securityholder will, and will cause each of its affiliates to, immediately cease and cause to be terminated any existing discussions or negotiations with any parties with respect to any potential Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement).
- (h) Until the Expiry Time, at the request of the Purchaser, the Parent or the Company, the Securityholder will use all commercially reasonable efforts in its capacity as a Shareholder to assist the Company, the Purchaser and the Parent to make all regulatory filings required to complete the Arrangement and the other transactions contemplated by the Arrangement Agreement and this Agreement.
- (i) The Securityholder hereby consents to:
- (i) details of this Agreement being set out in any press release, information circular, including the Company Circular, and court documents produced by the Company, the Purchaser, the Parent or any of their respective affiliates in connection with the transactions contemplated by this Agreement and the Arrangement Agreement, provided that to the extent any such filing contains disclosure regarding the Securityholder or its affiliates, the Securityholder has been provided with a reasonable opportunity to review and comment on such disclosure and reasonable consideration has been given by the Purchaser to any such comments; and
 - (ii) this Agreement being made publicly available, including by filing on the System for Electronic Document Analysis and Retrieval (SEDAR) operated on behalf of the Canadian Securities Administrators and/or by filing with or furnishing to the SEC, provided that the parties agree that this Agreement, including schedules, will be filed in its entirety on SEDAR and/or filed with or furnished to the SEC, without redaction other than (A) certain facsimile information in Section 4.9(a) hereof and Section 11.7 [Notices] of the Arrangement Agreement; and (B) specific dollar amounts referred to in Section 6.1 [Conduct of Business] of the Arrangement Agreement.
- (j) Except as required by applicable Law or applicable stock exchange requirements, the Securityholder will not, and will ensure that its affiliates do not, make any public announcement with respect to the transactions contemplated herein or pursuant to the Arrangement Agreement without the prior written approval of the Purchaser.

3.2 Alternative Forms of Transaction

If the event that, in lieu of the Arrangement, the Purchaser, the Parent or the Company determines in its good faith judgment that it is necessary or desirable to complete the acquisition of the Company Shares pursuant to an Alternative Transaction (as defined below), then the Securityholder shall, during the term of this Agreement, upon request of the Purchaser or the Parent support the completion of such Alternative Transaction in the same manner as the Arrangement in accordance with the terms and conditions of this Agreement, including by depositing or causing the deposit of the Subject Securities into the Alternative Transaction and not withdrawing them. For the purposes of this Agreement, an "Alternative Transaction" means a take-over bid made by the Parent (or an affiliate) in compliance with applicable securities Laws, to all of the shareholders of the Company that satisfies each of the following conditions (a) it provides for economic terms which, in relation to the Securityholder, on an after-tax basis, are in all respects at least equivalent to or better than those contemplated by the Arrangement Agreement, (b) it provides for conditions that are not more onerous than those set forth in the Arrangement Agreement, (c) it expires (following any extensions) no later than the earlier of (i) 70 days from the date that the Purchaser commences any take-over bid, and (ii) the Deadline Date, (d) it is, from the perspective of the Securityholder acting reasonably, otherwise on terms not materially more onerous on the Securityholder than the Arrangement, and (e) it is subject to a minimum tender condition of at least 66^{2/3}% of the outstanding Company Shares that cannot be waived without the approval of the Securityholder.

Subject to Section 4.1, each of Purchaser and the Parent will (a) comply with its respective obligations under the Arrangement Agreement and (b) take all steps required of it to cause the Arrangement to occur in both cases in accordance with the terms of and subject to the conditions set forth in the Arrangement Agreement.

**ARTICLE 4
GENERAL**

4.1 Termination

This Agreement will automatically terminate upon written notice from any party hereto and be of no further force or effect upon the earliest to occur of:

- (a) the agreement in writing of the Purchaser, the Parent and the Securityholder;
- (b) the termination of the Arrangement Agreement in accordance with its terms, unless prior to or concurrently with the termination of the Arrangement Agreement, the Parent (or an affiliate) commences an Alternative Transaction;
- (c) written notice by the Securityholder to the Parent if:
 - (i) subject to Section 4.3, any representation or warranty of the Purchaser or the Parent under this Agreement is untrue or incorrect in any material respect;
 - (ii) without the prior written consent of the Securityholder, there is any decrease in, or change in the form of, the consideration as set out in the Arrangement Agreement, other than any adjustment to the consideration pursuant to the terms of the Arrangement Agreement;
 - (iii) without the prior written consent of the Securityholder, (A) the conditions to the consummation of the Arrangement as set forth in the Arrangement Agreement have been amended in a manner that is adverse to the Securityholder, or (B) the terms of the Arrangement Agreement have been otherwise varied in a manner that is materially adverse to the Securityholder; or
 - (iv) subject to Section 4.3, the Purchaser or the Parent has not complied in any material respect with its covenants contained herein;

provided that at the time of such termination, the Securityholder is not in material default in the performance of its obligations under this Agreement;

- (d) written notice by the Purchaser or the Parent to the Securityholder if:
 - (i) subject to Section 4.3, any representation or warranty of the Securityholder under this Agreement is untrue or incorrect in any material respect; or
 - (ii) the Securityholder has not complied in any material respect with its covenants contained herein;

provided that at the time of such termination, neither the Purchaser nor the Parent is in material default in the performance of its obligations under this Agreement; and

- (e) the Deadline Date, if the conditions provided in Section 3.1 [Mutual Conditions] or Section 3.2 [Conditions in Favour of Company] of the Arrangement Agreement have not been satisfied by the Parent or Purchaser or waived by Company on or before the Deadline Date, provided however that this Agreement shall not terminate pursuant to this Section 4.1(e) if the Company's failure to fulfill any of its obligations under the Arrangement Agreement or if its breach of any of its representations and warranties under the Arrangement Agreement has been the cause of, or resulted in, the failure of the consummation of the Arrangement to occur by the Deadline Date.

4.2 Time of the Essence

Any date, time or period referred to in this Agreement will be of the essence, except to the extent to which the Securityholder, the Purchaser and the Parent agree in writing to vary any date, time or period, in which event the varied date, time or period will be of the essence.

4.3 Notice and Cure Provisions

- (a) Each party will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the termination of this Agreement of any event or state of facts which occurrence or failure would, or would be likely to give rise to a right of termination by the other party pursuant to Sections 4.1(c) or 4.1(d). Notification provided under this Section 4.3 will not affect the representations, warranties, covenants, agreements or obligations of the parties (or remedies with respect thereto).
- (b) The Securityholder may not exercise its right to terminate this Agreement pursuant to Sections 4.1(c)(i) or 4.1(c)(iv) and the Purchaser or the Parent may not exercise its right to terminate this Agreement pursuant to Section 4.1(d) unless the party seeking to terminate the Agreement delivers a written notice to the other party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the termination right. If any such notice is delivered prior to the Company Meeting, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may exercise such termination right until the earlier of (a) two Business Days prior to the Company Meeting, and (b) the date that is 10 Business Days following receipt of such notice by the party to whom the notice was delivered, if such matter has not been cured by such date. If any such notice is delivered after the date of the Company Meeting, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may exercise such termination right until the earlier of (a) five Business Days prior to the Deadline Date, and (b) the date that is 10 Business Days following receipt of such notice by the Party to whom the notice was delivered.

4.4 Effect of Termination

If this Agreement is terminated in accordance with the provisions of Section 4.1, no party will have any further liability to perform its obligations under this Agreement, provided that neither the termination of this Agreement nor anything contained in Section 4.1 will relieve any party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants made herein.

4.5 Equitable Relief

- (a) The parties hereby agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached, and that money damages or other legal remedies would not be an adequate remedy for any such damages. Accordingly, the parties acknowledge and hereby agree that in the event of any breach or threatened breach by the Securityholder, on the one hand, or the Purchaser or the Parent, on the other hand, of any of their respective covenants or obligations set forth in this Agreement, the Securityholder, on the one hand, and the Purchaser or the Parent, on the other hand, shall be entitled to an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement by the other, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other under this Agreement. Each of the parties hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches or threatened breaches of this Agreement by it, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other parties under this Agreement.
- (b) The parties hereto further agree that (x) by seeking the remedies provided for in this Section 4.5, a party shall not in any respect waive its right to seek any other form of relief that may be available to a party under this Agreement in the event that this Agreement has been terminated or in the event that the remedies provided for in this Section 4.5 are not available or otherwise are not granted, and (y) nothing set forth in this Section 4.5 shall require any party hereto to institute any proceeding for (or limit any party's right to institute any proceeding for) specific performance under this Section 4.5 prior or as a condition to exercising any termination right under Section 4.1 (and pursuing damages after such termination), nor shall the commencement of any legal proceeding restrict or limit any party's right to terminate this Agreement in accordance with the terms of Section 4.1 or pursue any other remedies under this Agreement that may be available then or thereafter.

4.6 Waiver; Amendment

Each party hereto agrees and confirms that any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by all of the parties or in the case of a waiver, by the party against whom the waiver is to be effective and no failure or delay by any party in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No waiver of any of the provisions of this Agreement will be deemed to constitute a waiver of any other provision (whether or not similar).

4.7 Entire Agreement

This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings among the parties with respect thereto.

4.8 Survival of Representations, Warranties and Covenants

The representations and warranties of the parties set out in Article 2 shall survive the closing of the Arrangement Agreement and remain in full force and effect for 18 months thereafter. This Section 4.8 shall not limit any covenant or agreement of the parties, which by its terms contemplates performance after the Effective Time.

4.9 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (each, a "**Notice**") will be in writing and will be sufficiently given if delivered (whether in person or other personal method of delivery) or if sent by prepaid overnight courier:

- (a) if to the Purchaser or the Parent:

Emergent BioSolutions Inc.
General Counsel
2273 Research Boulevard, Suite 400
Rockville, Maryland 20850
United States

Attention: General Counsel
Facsimile: 301-795-6783

with a copy (which will not constitute notice) to:

DLA Piper LLP (US)
The Marbury Building
6225 Smith Avenue
Baltimore, Maryland 21209-3600
United States

Attention: Howard S. Schwartz
Facsimile: 410-580-3251

and to:

McCarthy Tétrault LLP
66 Wellington Street West
Suite 5300
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Attention: Graham P.C. Gow
Ian Michael
Facsimile: 416-868-0673

- (b) if to the Securityholder:

Bernard C. Sherman
150 Signet Drive
Toronto, ON M9L 1T9

Attention: R. Craig Baxter
Facsimile: 416-401-3808

and to (which will not constitute notice):

Global Legal Department
Apotex Holdings Inc.
150 Signet Drive
Toronto, ON M9L 1T9

Attention: General Counsel
Facsimile: 416-401-3808

Any notice sent by prepaid overnight courier will be deemed to have been delivered as of the following Business Day. Any party hereto may, from time to time, change its address by giving Notice to the other parties in accordance with the provisions of this Section.

4.10 Severability

To the extent permitted by applicable Law, the parties waive any provision of applicable Law which renders any provision of this Agreement invalid or unenforceable in any respect. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable Law or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are fulfilled to the fullest extent possible.

4.11 Successors and Assigns

The provisions of this Agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors, permitted assigns and legal personal representatives, provided that no party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other parties hereto.

4.12 Expenses

Each party will pay all costs and expenses (including the fees and disbursements of legal counsel and other advisers) it incurs in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated by this Agreement provided that each party (the "breaching party") shall pay the fees and disbursements of legal counsel to another party (the "non-breaching party") to the extent related to any Proceedings brought by a non-breaching party to enforce this Agreement as a result of a breach of any provision of this Agreement by the breaching party.

4.13 Independent Legal Advice

Each of the parties hereby acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that they have either done so or waived their right to do so in connection with the entering into of this Agreement.

4.14 Further Assurances

The parties hereto will, with reasonable diligence, do all things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each party will provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after the Effective Time.

4.15 Language

The parties expressly acknowledge that they have requested that this Agreement and all ancillary and related documents thereto be drafted in the English language only. Les parties aux présentes reconnaissent avoir exigé que la présente entente et tous les documents qui y sont accessoires soient rédigés en anglais seulement.

4.16 Execution and Delivery

This Agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile or other electronic means and all the counterparts and facsimiles or other electronic copies together constitute one and the same agreement, and such facsimile or other electronic copies will be legally effective to create a valid and binding agreement between the parties.

4.17 Fiduciary Duties

For the avoidance of doubt, nothing in this Agreement shall limit any individual who is a director or officer of Company or any of its Subsidiaries from performing his or her fiduciary duties as a director or an officer of Company or any such Subsidiary, including for greater certainty, doing any act or thing permitted by the Arrangement Agreement, and no action taken by any such individual described pursuant to this Section 4.17 shall constitute a breach of this Agreement by the Securityholder or any of its affiliates.

[The remainder of this page has been intentionally left blank.]

IN WITNESS OF WHICH the parties have executed this Agreement.

2396638 Ontario Inc.

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: Vice President

Bernard C. Sherman

By: /s/ BERNARD C. SHERMAN
Name: Bernard C. Sherman

Emergent BioSolutions Inc.

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: President and Chief Executive Officer

SCHEDULE "A"
COMPANY SHARES

Securityholder	Company Shares
Apotex Inc.	57,315 common shares
Apotex Holdings Inc.	24,500,493 common shares
Sherman Foundation	15,392,822 common shares
Apotex Foundation	787,157 common shares
Bernard C. Sherman	135,000 common shares

SCHEDULE "B"
ARRANGEMENT AGREEMENT

VOTING SUPPORT AGREEMENT

THIS AGREEMENT is made as of December 11, 2013.

BETWEEN:

2396638 Ontario Inc., a corporation existing under the laws of Ontario, Canada (the "Purchaser")

- and -

R. Craig Baxter, an individual and resident in the Province of Ontario, Canada (the "Securityholder")

- and -

Emergent BioSolutions Inc., a corporation existing under the laws of Delaware, USA (the "Parent")

RECITALS:

1. The Securityholder is the beneficial owner, directly or indirectly, of certain Company Shares.
2. The Securityholder understands that the Company, the Purchaser and the Parent have entered into the Arrangement Agreement.
3. This Agreement sets out, among other things, the terms and conditions of the agreement of the Securityholder to abide by the covenants in respect of the Subject Securities and the other restrictions and covenants set forth herein.
4. The Parent owns all of the outstanding securities of the Purchaser.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Arrangement Agreement. In this Agreement, including the recitals:

"**affiliate**" of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly, and "**control**" and any derivation thereof means the holding of voting securities of another entity sufficient to elect a majority of the board of directors (or the equivalent) of such entity;

"**Arrangement Agreement**" means the arrangement agreement dated December 11, 2013 between the Purchaser, the Company and the Parent, a copy of which is attached to this Agreement as Schedule "B";

"**Company**" means Cangene Corporation, a corporation existing under the laws of the Province of Ontario;

"**Deadline Date**" means (i) if Parent or Purchaser has not commenced an Alternative Transaction prior to June 30, 2014, then June 30, 2014, and (ii) if Parent or Purchaser has commenced an Alternative Transaction prior to June 30, 2014, the earlier of (A) the termination of the Alternative Transaction and (B) July 31, 2014;

"**Expiry Time**" has the meaning ascribed thereto in Section 3.1(a);

"**Governmental Entity**" means any national, supra-national, federal, state, municipal, local or foreign government, or any court, tribunal, arbitrator, administrative agency, commission or other governmental or quasi-governmental authority or instrumentality, including any government-owned or government-controlled enterprise, in each case whether domestic or foreign, any stock exchange or similar self-regulatory organization or any quasi-governmental body exercising any regulatory, taxing or other governmental or quasi-governmental authority;

"**Law**" means all United States or foreign federal, state, national, supra-national, provincial, municipal or local laws, constitutions, statutes, codes, rules, common law, regulations, ordinances, executive orders, treaties, decrees or edicts by a Governmental Entity having the force of law;

"**Notice**" has the meaning ascribed thereto in Section 4.9;

"**Subject Securities**" means the Company Shares currently owned by the Securityholder as specified in Schedule "A" hereto, and any other Company Shares acquired by the Securityholder or any of its affiliates subsequent to the date hereof, and will include all securities which such Subject Securities may be converted into, exchanged for or otherwise changed into;

1.2 Singular; Plural, etc.

In this Agreement, words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.3 Currency

Unless otherwise expressly stated, all references to currency herein will be deemed to be references to U.S. currency.

1.4 Headings, etc.

The division of this Agreement into Articles, Sections and Schedules and the insertion of the recitals and headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement or in the Schedules hereto to Articles, Sections and Schedules refer to Articles, Sections and Schedules of and to this Agreement or of the Schedules in which such reference is made, as applicable.

1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day. In this Agreement, references from or through any date mean, unless otherwise specified, from and including that date and/or through and including that date, respectively.

1.6 Governing Law

This Agreement will be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the laws of Canada applicable therein, and will be construed and treated in all respects as an Ontario contract. Each of the parties hereby irrevocably attorns to the exclusive jurisdiction of the Courts of the Province of Ontario in respect of all matters arising under and in relation to this Agreement.

1.7 Incorporation of Schedules

Each of Schedules "A" and "B" attached hereto, for all purposes hereof, forms an integral part of this Agreement.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of the Securityholder

The Securityholder represents and warrants to the Purchaser and the Parent (and acknowledges that they are relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) the matters set out below:

- (a) The Securityholder is an individual and resident in the Province of Ontario, Canada.
- (b) The Securityholder has all necessary power, authority, capacity and right to enter into this Agreement and to carry out each of its obligations under this Agreement. This Agreement has been duly executed and delivered by the Securityholder and constitutes a legal, valid and binding obligation of the Securityholder enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (c) The Securityholder owns all of the Subject Securities. Other than the Subject Securities, neither the Securityholder nor any of its affiliates, beneficially own, or exercise control or direction over any additional securities, or any securities convertible or exchangeable into any additional securities, of the Company or any of its affiliates.
- (d) Currently the Securityholder is, and at the time at which the Subject Securities are acquired by the Purchaser under the Arrangement will be, the sole beneficial owner of the Subject Securities, with good and marketable title thereto, free and clear of all Liens.
- (e) The Securityholder has the sole right to sell and vote or direct the sale and voting of the Subject Securities.
- (f) No Person has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of the Subject Securities or any interest therein or right thereto, except the Purchaser pursuant to the Arrangement.
- (g) No consent, approval, order or authorization of, or declaration or filing with, any Person is required to be obtained by the Securityholder in connection with the execution and delivery of this Agreement by the Securityholder and the performance by it of its obligations under this Agreement.
- (h) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Securityholder, threatened against the Securityholder or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Securityholder's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.
- (i) None of the Subject Securities is subject to any proxy, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of any of the Company's securityholders or give consents or approvals of any kind.
- (j) None of the execution and delivery by the Securityholder of this Agreement or the completion of the transactions contemplated hereby or the compliance by the Securityholder with its obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Securityholder; (ii) any contract to which the Securityholder is a party or by which the Securityholder is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Law.

2.2 Representations and Warranties of the Purchaser and Parent

The Purchaser and the Parent jointly and severally represent and warrant to the Securityholder (and acknowledge that the Securityholder is relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) the matters set out below:

- (a) The Purchaser is a corporation duly incorporated and validly existing under the laws of Ontario, Canada and has all necessary corporate power, authority and capacity to enter into this Agreement. The execution and delivery of this Agreement and the performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (b) None of the execution and delivery by the Purchaser of this Agreement or the compliance by the Purchaser with the Purchaser's obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Purchaser; (ii) any contract to which the Purchaser is a party or by which the Purchaser is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Laws.
- (c) No material consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement, the performance by it of its obligations under this Agreement and the consummation by the Purchaser of the Arrangement, other than those which are contemplated by the Arrangement Agreement.
- (d) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Purchaser, threatened against the Purchaser or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Purchaser's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.
- (e) The Parent is a corporation duly incorporated and validly existing under the laws of Delaware, USA and has all necessary corporate power, authority and capacity to enter into this Agreement. The execution and delivery of this Agreement and the performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Parent. This Agreement constitutes a legal, valid and binding obligation of the Parent enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (f) None of the execution and delivery by the Parent of this Agreement or the compliance by the Parent with the Parent's obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Parent; (ii) any contract to which the Parent is a party or by which the Parent is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Laws.
- (g) No material consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by the Parent in connection with the execution and delivery of this Agreement, the performance by it of its obligations under this Agreement and the consummation by the Parent of the Arrangement, other than those which are contemplated by the Arrangement Agreement.
- (h) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Parent, threatened against the Parent or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Parent's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.

ARTICLE 3 COVENANTS

3.1 Covenants of the Securityholder

- (a) The Securityholder hereby covenants with the Purchaser and the Parent that from the date of this Agreement until the earlier of the termination of this Agreement in accordance with its terms and the Effective Time (the "**Expiry Time**"), the Securityholder will not:
 - (i) without having first obtained the prior written consent of the Parent, which consent shall not be unreasonably withheld, sell, transfer, gift, assign, convey, pledge, hypothecate, encumber, option or otherwise dispose of any right or interest in any of the Subject Securities or enter into any agreement, arrangement, commitment or understanding in connection therewith, other than (A) pursuant to the Arrangement or (B) transfers to or between affiliates of the Securityholder (provided that (1) the Securityholder will notify Parent of any such transfer; (2) such transfer does not relieve the Securityholder of any of its obligations under this Agreement with respect to the Subject Securities; and (3) any affiliate of the Securityholder will be required, in Parent's sole discretion, to enter into an agreement with Purchaser and the Parent substantially in the form of this Agreement with respect to all of such Subject Securities);

- (ii) other than as set forth herein, grant or agree to grant any proxies or powers of attorney, deposit any Subject Securities into a voting trust or pooling agreement, or enter into a voting agreement, commitment, understanding or arrangement, oral or written, with respect to the voting of any Subject Securities; or
 - (iii) requisition or join in the requisition of any meeting of any of the securityholders of the Company for the purpose of considering any resolution.
- (b) The Securityholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to vote (or cause to be voted) all the Subject Securities:
- (i) at any meeting of any of the securityholders of the Company at which the Securityholder is entitled to vote, including the Company Meeting; and
 - (ii) in any action by written consent of the securityholders of the Company,

in favour of the approval, consent, ratification and adoption of the Arrangement Resolution and the transactions contemplated by the Arrangement Agreement (and any actions required for the consummation of the transactions contemplated by the Arrangement Agreement). In connection with the foregoing, subject to this Section 3.1(b), the Securityholder hereby agrees to deposit a proxy, or voting instruction form, as the case may be, duly completed and executed in respect of all of the Subject Securities as soon as practicable following the mailing of the Company Circular and in any event at least 10 calendar days following such mailing, voting all such Subject Securities in favour of the Arrangement Resolution. The Securityholder hereby agrees that it will not take, nor permit any Person on its behalf to take, any action to withdraw, amend or invalidate any proxy or voting instruction form deposited pursuant to this Agreement notwithstanding any statutory or other rights or otherwise which the Securityholder might have unless this Agreement has at such time been previously terminated in accordance with Section 4.1.

- (c) The Securityholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to vote (or cause to be voted) the Subject Securities against any proposed action by the Company, its Shareholders, any of the Company's Subsidiaries or any other Person: (i) in respect of any Acquisition Proposal or Superior Proposal or other merger, take-over bid, amalgamation, plan of arrangement, business combination or similar transaction involving the Company or any Subsidiary of the Company, other than the Arrangement; (ii) which would reasonably be regarded as being directed towards or likely to prevent or delay the successful completion of the Arrangement, including without limitation any amendment to the articles or by-laws of the Company or any of its affiliates or their respective corporate structures; or (iii) any action or agreement that would result in a breach of any representation, warranty, covenant or other obligation of the Company under the Arrangement Agreement if such breach requires Shareholder approval;
- (d) Until the Expiry Time, the Securityholder hereby covenants, undertakes and agrees, in the event that any transaction other than the Arrangement is presented for approval of, or acceptance by, the Shareholders, whether or not it may be recommended by the Company's directors, not to directly or indirectly, (i) accept, knowingly assist or otherwise knowingly further the successful completion of such transaction or (ii) purport to tender or deposit into any such transaction any of the Subject Securities, and, in the event the directors of the Company make a Change in Recommendation, the Securityholder will, if requested by the Parent, publicly affirm its commitment to vote in favour of the Arrangement in accordance with the terms of this Agreement.
- (e) Until the Expiry Time, the Securityholder will not, and will ensure that its affiliates do not, directly or indirectly, through any officer, director, employee, representative or agent or otherwise:
- (i) solicit proxies or become a participant in a solicitation in opposition to or in competition with the Purchaser in connection with the Arrangement;
 - (ii) assist any affiliate or knowingly assist any other Person in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit the Purchaser in connection with the Arrangement;
 - (iii) act jointly or in concert with others with respect to voting securities of the Company for the purpose of opposing or competing with the Purchaser in connection with the Arrangement;
 - (iv) solicit, initiate, knowingly assist, knowingly encourage or otherwise facilitate (including by way of entering into any agreement, arrangement or understanding), any inquiry, proposal or offer relating to any Acquisition Proposal or potential Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement);
 - (v) participate in any discussions or negotiations regarding any Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement);
 - (vi) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement, arrangement or understanding related to any Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement); or
 - (vii) cooperate in any way with, participate in or knowingly assist, knowingly encourage or otherwise facilitate any effort or attempt by any other Person to do or seek to do any of the foregoing.
- (f) The Securityholder will not (i) exercise any dissent rights in respect of the Arrangement; or (ii) take any other action of any kind, in each case which would reasonably be regarded as likely to reduce the success of, or materially delay or interfere with the completion of, the transactions contemplated by the Arrangement Agreement.
- (g) The Securityholder will, and will cause each of its affiliates to, immediately cease and cause to be terminated any existing discussions or negotiations with any parties with respect to any potential Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement).
- (h) Until the Expiry Time, at the request of the Purchaser, the Parent or the Company, the Securityholder will use all commercially reasonable efforts in its capacity as a Shareholder to assist the Company, the Purchaser and the Parent to make all regulatory filings required to complete the Arrangement and the other transactions contemplated by the Arrangement Agreement and this Agreement.
- (i) The Securityholder hereby consents to:
- (i) details of this Agreement being set out in any press release, information circular, including the Company Circular, and court documents produced by the Company, the Purchaser, the Parent or any of their respective affiliates in connection with the transactions contemplated by this Agreement and the Arrangement Agreement, provided that to the extent any such filing contains disclosure regarding the Securityholder or its affiliates, the Securityholder has been provided with a reasonable opportunity to review and comment on such disclosure and reasonable consideration has been given by the Purchaser to any such comments; and
 - (ii) this Agreement being made publicly available, including by filing on the System for Electronic Document Analysis and Retrieval (SEDAR) operated on behalf of the Canadian Securities Administrators and/or by filing with or furnishing to the SEC, provided that the parties agree that this Agreement, including schedules, will be filed in its entirety on SEDAR and/or filed with or furnished to the SEC, without redaction other than (A) certain facsimile information in Section 4.9(a) hereof and Section 11.7 [Notices] of the Arrangement Agreement; and (B) specific dollar amounts referred to in Section 6.1 [Conduct of Business] of the Arrangement Agreement.
- (j) Except as required by applicable Law or applicable stock exchange requirements, the Securityholder will not, and will ensure that its affiliates do not, make any public announcement with respect to the transactions contemplated herein or pursuant to the Arrangement Agreement without the prior written approval of the Purchaser.

3.2 Alternative Forms of Transaction

If the event that, in lieu of the Arrangement, the Purchaser, the Parent or the Company determines in its good faith judgment that it is necessary or desirable to complete the acquisition of the Company Shares pursuant to an Alternative Transaction (as defined below), then the Securityholder shall, during the term of this Agreement, upon request of the Purchaser or the Parent support the completion of such Alternative Transaction in the same manner as the Arrangement in accordance with the terms and conditions of this Agreement, including by depositing or causing the deposit of the Subject Securities into the Alternative Transaction and not withdrawing them. For the purposes of this Agreement, an "Alternative Transaction" means a take-over bid made by the Parent (or an affiliate) in compliance with applicable securities Laws, to all of the shareholders of the Company that satisfies each of the following conditions (a) it provides for economic terms which, in relation to the Securityholder, on an after-tax basis, are in all respects at least equivalent to or better than those contemplated by the Arrangement Agreement, (b) it provides for conditions that are not more onerous than those set forth in the Arrangement Agreement, (c) it expires (following any extensions) no later than the earlier of (i) 70 days from the date that the Purchaser commences any take-over bid, and (ii) the Deadline Date, (d) it is, from the perspective of the Securityholder acting reasonably, otherwise on terms not materially more onerous on the Securityholder than the Arrangement, and (e) it is subject to a minimum tender condition of at least 66²/₃% of the outstanding Company Shares that cannot be waived without the approval of the Securityholder.

3.3 Covenant of the Purchaser and Parent

Subject to Section 4.1, each of Purchaser and the Parent will (a) comply with its respective obligations under the Arrangement Agreement and (b) take all steps required of it to cause the Arrangement to occur in both cases in accordance with the terms of and subject to the conditions set forth in the Arrangement Agreement.

ARTICLE 4 GENERAL

4.1 Termination

This Agreement will automatically terminate upon written notice from any party hereto and be of no further force or effect upon the earliest to occur of:

- (a) the agreement in writing of the Purchaser, the Parent and the Securityholder;
- (b) the termination of the Arrangement Agreement in accordance with its terms, unless prior to or concurrently with the termination of the Arrangement Agreement, the Parent (or an affiliate) commences an Alternative Transaction;
- (c) written notice by the Securityholder to the Parent if:
 - (i) subject to Section 4.3, any representation or warranty of the Purchaser or the Parent under this Agreement is untrue or incorrect in any material respect;
 - (ii) without the prior written consent of the Securityholder, there is any decrease in, or change in the form of, the consideration as set out in the Arrangement Agreement, other than any adjustment to the consideration pursuant to the terms of the Arrangement Agreement;
 - (iii) without the prior written consent of the Securityholder, (A) the conditions to the consummation of the Arrangement as set forth in the Arrangement Agreement have been amended in a manner that is adverse to the Securityholder, or (B) the terms of the Arrangement Agreement have been otherwise varied in a manner that is materially adverse to the Securityholder; or
 - (iv) subject to Section 4.3, the Purchaser or the Parent has not complied in any material respect with its covenants contained herein;

provided that at the time of such termination, the Securityholder is not in material default in the performance of its obligations under this Agreement;

- (d) written notice by the Purchaser or the Parent to the Securityholder if:
 - (i) subject to Section 4.3, any representation or warranty of the Securityholder under this Agreement is untrue or incorrect in any material respect; or
 - (ii) the Securityholder has not complied in any material respect with its covenants contained herein;

provided that at the time of such termination, neither the Purchaser nor the Parent is in material default in the performance of its obligations under this Agreement; and

- (e) the Deadline Date, if the conditions provided in Section 3.1 [Mutual Conditions] or Section 3.2 [Conditions in Favour of Company] of the Arrangement Agreement have not been satisfied by the Parent or Purchaser or waived by Company on or before the Deadline Date, provided however that this Agreement shall not terminate pursuant to this Section 4.1(e) if the Company's failure to fulfill any of its obligations under the Arrangement Agreement or if its breach of any of its representations and warranties under the Arrangement Agreement has been the cause of, or resulted in, the failure of the consummation of the Arrangement to occur by the Deadline Date.

4.2 Time of the Essence

Any date, time or period referred to in this Agreement will be of the essence, except to the extent to which the Securityholder, the Purchaser and the Parent agree in writing to vary any date, time or period, in which event the varied date, time or period will be of the essence.

4.3 Notice and Cure Provisions

- (a) Each party will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the termination of this Agreement of any event or state of facts which occurrence or failure would, or would be likely to give rise to a right of termination by the other party pursuant to Sections 4.1(c) or 4.1(d). Notification provided under this Section 4.3 will not affect the representations, warranties, covenants, agreements or obligations of the parties (or remedies with respect thereto).
- (b) The Securityholder may not exercise its right to terminate this Agreement pursuant to Sections 4.1(c)(i) or 4.1(c)(iv) and the Purchaser or the Parent may not exercise its right to terminate this Agreement pursuant to Section 4.1(d) unless the party seeking to terminate the Agreement delivers a written notice to the other party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the termination right. If any such notice is delivered prior to the Company Meeting, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may exercise such termination right until the earlier of (a) two Business Days prior to the Company Meeting, and (b) the date that is 10 Business Days following receipt of such notice by the party to whom the notice was delivered, if such matter has not been cured by such date. If any such notice is delivered after the date of the Company Meeting, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may exercise such termination right until the earlier of (a) five Business Days prior to the Deadline Date, and (b) the date that is 10 Business Days following receipt of such notice by the Party to whom the notice was delivered.

4.4 Effect of Termination

If this Agreement is terminated in accordance with the provisions of Section 4.1, no party will have any further liability to perform its obligations under this Agreement, provided that neither the termination of this Agreement nor anything contained in Section 4.1 will relieve any party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants made herein.

4.5 Equitable Relief

- (a) The parties hereby agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached, and that money damages or other legal remedies would not be an adequate remedy for any such damages. Accordingly, the parties acknowledge and hereby agree that in the event of any breach or threatened breach by the Securityholder, on the one hand, or the Purchaser or the Parent, on the other hand, of any of their respective covenants or obligations set forth in this Agreement, the Securityholder, on the one hand, and the Purchaser or the Parent, on the other hand, shall be entitled to an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement by the other, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other under this Agreement. Each of the parties hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches or threatened breaches of this Agreement by it, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other parties under this Agreement.
- (b) The parties hereto further agree that (x) by seeking the remedies provided for in this Section 4.5, a party shall not in any respect waive its right to seek any other form of relief that may be available to a party under this Agreement in the event that this Agreement has been terminated or in the event that the remedies provided for in this Section 4.5 are not available or otherwise are not granted, and (y) nothing set forth in this Section 4.5 shall require any party hereto to institute any proceeding for (or limit any party's right to institute any proceeding for) specific performance under this Section 4.5 prior or as a condition to exercising any termination right under Section 4.1 (and pursuing damages after such termination), nor shall the commencement of any legal proceeding restrict or limit any party's right to terminate this Agreement in accordance with the terms of Section 4.1 or pursue any other remedies under this Agreement that may be available then or thereafter.

4.6 Waiver; Amendment

Each party hereto agrees and confirms that any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by all of the parties or in the case of a waiver, by the party against whom the waiver is to be effective and no failure or delay by any party in exercising any right, power or privilege hereunder will operate as a waiver thereof nor

will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No waiver of any of the provisions of this Agreement will be deemed to constitute a waiver of any other provision (whether or not similar).

4.7 Entire Agreement

This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings among the parties with respect thereto.

4.8 Survival of Representations, Warranties and Covenants

The representations and warranties of the parties set out in Article 2 shall survive the closing of the Arrangement Agreement and remain in full force and effect for 18 months thereafter. This Section 4.8 shall not limit any covenant or agreement of the parties, which by its terms contemplates performance after the Effective Time.

4.9 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (each, a "**Notice**") will be in writing and will be sufficiently given if delivered (whether in person or other personal method of delivery) or if sent by prepaid overnight courier:

- (a) if to the Purchaser or the Parent:

Emergent BioSolutions Inc.
General Counsel
2273 Research Boulevard, Suite 400
Rockville, Maryland 20850
United States

Attention: General Counsel
Facsimile: 301-795-6783

with a copy (which will not constitute notice) to:

DLA Piper LLP (US)
The Marbury Building
6225 Smith Avenue
Baltimore, Maryland 21209-3600
United States

Attention: Howard S. Schwartz
Facsimile: 410-580-3251

and to:

McCarthy Tétrault LLP
66 Wellington Street West
Suite 5300
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Attention: Graham P.C. Gow
Ian Michael
Facsimile: 416-868-0673

- (b) if to the Securityholder:

R. Craig Baxter
150 Signet Drive
Toronto, ON M9L 1T9

Facsimile: 416-401-3808

Any notice sent by prepaid overnight courier will be deemed to have been delivered as of the following Business Day. Any party hereto may, from time to time, change its address by giving Notice to the other parties in accordance with the provisions of this Section.

4.10 Severability

To the extent permitted by applicable Law, the parties waive any provision of applicable Law which renders any provision of this Agreement invalid or unenforceable in any respect. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable Law or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are fulfilled to the fullest extent possible.

4.11 Successors and Assigns

The provisions of this Agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors, permitted assigns and legal personal representatives, provided that no party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other parties hereto.

4.12 Expenses

Each party will pay all costs and expenses (including the fees and disbursements of legal counsel and other advisers) it incurs in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated by this Agreement provided that each party (the "breaching party") shall pay the fees and disbursements of legal counsel to another party (the "non-breaching party") to the extent related to any Proceedings brought by a non-breaching party to enforce this Agreement as a result of a breach of any provision of this Agreement by the breaching party.

4.13 Independent Legal Advice

Each of the parties hereby acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that they have either done so or waived their right to do so in connection with the entering into of this Agreement.

4.14 Further Assurances

The parties hereto will, with reasonable diligence, do all things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each party will provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after the Effective Time.

4.15 Language

The parties expressly acknowledge that they have requested that this Agreement and all ancillary and related documents thereto be drafted in the English language only. Les parties aux présentes reconnaissent avoir exigé que la présente entente et tous les documents qui y sont accessoires soient rédigés en anglais seulement.

4.16 Execution and Delivery

This Agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile or other electronic means and all the counterparts and facsimiles or other electronic copies together constitute one and the same agreement, and such facsimile or other electronic copies will be legally effective to create a valid and binding agreement between the parties.

4.17 Fiduciary Duties

For the avoidance of doubt, nothing in this Agreement shall limit any individual who is a director or officer of Company or any of its Subsidiaries from performing his or her fiduciary duties as a director or an officer of Company or any such Subsidiary, including for greater certainty, doing any act or thing permitted by the Arrangement Agreement, and no action taken by any such individual described pursuant to this Section 4.17 shall constitute a breach of this Agreement by the Securityholder or any of its affiliates.

[The remainder of this page has been intentionally left blank.]

IN WITNESS OF WHICH the parties have executed this Agreement.

2396638 Ontario Inc.

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: Vice President

R. Craig Baxter

/s/ R. CRAIG BAXTER

Emergent BioSolutions Inc.

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: President and Chief Executive Officer

SCHEDULE "A"
COMPANY SHARES

Securityholder
R. Craig Baxter

Company Shares
81,050 common shares

SCHEDULE "B"
ARRANGEMENT AGREEMENT

VOTING SUPPORT AGREEMENT

THIS AGREEMENT is made as of December 11, 2013.

BETWEEN:

2396638 Ontario Inc., a corporation existing under the laws of Ontario, Canada (the "Purchaser")

- and -

Jeremy B. Desai, an individual and resident in the Province of Ontario, Canada (the "Securityholder")

- and -

Emergent BioSolutions Inc., a corporation existing under the laws of Delaware, USA (the "Parent")

RECITALS:

1. The Securityholder is the beneficial owner, directly or indirectly, of certain Company Shares.
2. The Securityholder understands that the Company, the Purchaser and the Parent have entered into the Arrangement Agreement.
3. This Agreement sets out, among other things, the terms and conditions of the agreement of the Securityholder to abide by the covenants in respect of the Subject Securities and the other restrictions and covenants set forth herein.
4. The Parent owns all of the outstanding securities of the Purchaser.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Arrangement Agreement. In this Agreement, including the recitals:

"**affiliate**" of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly, and "**control**" and any derivation thereof means the holding of voting securities of another entity sufficient to elect a majority of the board of directors (or the equivalent) of such entity;

"**Arrangement Agreement**" means the arrangement agreement dated December 11, 2013 between the Purchaser, the Company and the Parent, a copy of which is attached to this Agreement as Schedule "B";

"**Company**" means Cangene Corporation, a corporation existing under the laws of the Province of Ontario;

"**Deadline Date**" means (i) if Parent or Purchaser has not commenced an Alternative Transaction prior to June 30, 2014, then June 30, 2014, and (ii) if Parent or Purchaser has commenced an Alternative Transaction prior to June 30, 2014, the earlier of (A) the termination of the Alternative Transaction and (B) July 31, 2014;

"**Expiry Time**" has the meaning ascribed thereto in Section 3.1(a);

"**Governmental Entity**" means any national, supra-national, federal, state, municipal, local or foreign government, or any court, tribunal, arbitrator, administrative agency, commission or other governmental or quasi-governmental authority or instrumentality, including any government-owned or government-controlled enterprise, in each case whether domestic or foreign, any stock exchange or similar self-regulatory organization or any quasi-governmental body exercising any regulatory, taxing or other governmental or quasi-governmental authority;

"**Law**" means all United States or foreign federal, state, national, supra-national, provincial, municipal or local laws, constitutions, statutes, codes, rules, common law, regulations, ordinances, executive orders, treaties, decrees or edicts by a Governmental Entity having the force of law;

"**Notice**" has the meaning ascribed thereto in Section 4.9;

"**Subject Securities**" means the Company Shares currently owned by the Securityholder as specified in Schedule "A" hereto, and any other Company Shares acquired by the Securityholder or any of its affiliates subsequent to the date hereof, and will include all securities which such Subject Securities may be converted into, exchanged for or otherwise changed into;

1.2 Singular; Plural, etc.

In this Agreement, words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.3 Currency

Unless otherwise expressly stated, all references to currency herein will be deemed to be references to U.S. currency.

1.4 Headings, etc.

The division of this Agreement into Articles, Sections and Schedules and the insertion of the recitals and headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement or in the Schedules hereto to Articles, Sections and Schedules refer to Articles, Sections and Schedules of and to this Agreement or of the Schedules in which such reference is made, as applicable.

1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day. In this Agreement, references from or through any date mean, unless otherwise specified, from and including that date and/or through and including that date, respectively.

1.6 Governing Law

This Agreement will be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the laws of Canada applicable therein, and will be construed and treated in all respects as an Ontario contract. Each of the parties hereby irrevocably attorns to the exclusive jurisdiction of the Courts of the Province of Ontario in respect of all matters arising under and in relation to this Agreement.

1.7 Incorporation of Schedules

Each of Schedules "A" and "B" attached hereto, for all purposes hereof, forms an integral part of this Agreement.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of the Securityholder

The Securityholder represents and warrants to the Purchaser and the Parent (and acknowledges that they are relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) the matters set out below:

- (a) The Securityholder is an individual and resident in the Province of Ontario, Canada.
- (b) The Securityholder has all necessary power, authority, capacity and right to enter into this Agreement and to carry out each of its obligations under this Agreement. This Agreement has been duly executed and delivered by the Securityholder and constitutes a legal, valid and binding obligation of the Securityholder enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (c) The Securityholder owns all of the Subject Securities. Other than the Subject Securities, neither the Securityholder nor any of its affiliates, beneficially own, or exercise control or direction over any additional securities, or any securities convertible or exchangeable into any additional securities, of the Company or any of its affiliates.
- (d) Currently the Securityholder is, and at the time at which the Subject Securities are acquired by the Purchaser under the Arrangement will be, the sole beneficial owner of the Subject Securities, with good and marketable title thereto, free and clear of all Liens.
- (e) The Securityholder has the sole right to sell and vote or direct the sale and voting of the Subject Securities.
- (f) No Person has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of the Subject Securities or any interest therein or right thereto, except the Purchaser pursuant to the Arrangement.
- (g) No consent, approval, order or authorization of, or declaration or filing with, any Person is required to be obtained by the Securityholder in connection with the execution and delivery of this Agreement by the Securityholder and the performance by it of its obligations under this Agreement.
- (h) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Securityholder, threatened against the Securityholder or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Securityholder's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.
- (i) None of the Subject Securities is subject to any proxy, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of any of the Company's securityholders or give consents or approvals of any kind.
- (j) None of the execution and delivery by the Securityholder of this Agreement or the completion of the transactions contemplated hereby or the compliance by the Securityholder with its obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Securityholder; (ii) any contract to which the Securityholder is a party or by which the Securityholder is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Law.

2.2 Representations and Warranties of the Purchaser and Parent

The Purchaser and the Parent jointly and severally represent and warrant to the Securityholder (and acknowledge that the Securityholder is relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) the matters set out below:

- (a) The Purchaser is a corporation duly incorporated and validly existing under the laws of Ontario, Canada and has all necessary corporate power, authority and capacity to enter into this Agreement. The execution and delivery of this Agreement and the performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (b) None of the execution and delivery by the Purchaser of this Agreement or the compliance by the Purchaser with the Purchaser's obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Purchaser; (ii) any contract to which the Purchaser is a party or by which the Purchaser is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Laws.
- (c) No material consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement, the performance by it of its obligations under this Agreement and the consummation by the Purchaser of the Arrangement, other than those which are contemplated by the Arrangement Agreement.
- (d) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Purchaser, threatened against the Purchaser or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Purchaser's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.
- (e) The Parent is a corporation duly incorporated and validly existing under the laws of Delaware, USA and has all necessary corporate power, authority and capacity to enter into this Agreement. The execution and delivery of this Agreement and the performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Parent. This Agreement constitutes a legal, valid and binding obligation of the Parent enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (f) None of the execution and delivery by the Parent of this Agreement or the compliance by the Parent with the Parent's obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Parent; (ii) any contract to which the Parent is a party or by which the Parent is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Laws.
- (g) No material consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by the Parent in connection with the execution and delivery of this Agreement, the performance by it of its obligations under this Agreement and the consummation by the Parent of the Arrangement, other than those which are contemplated by the Arrangement Agreement.
- (h) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Parent, threatened against the Parent or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Parent's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.

ARTICLE 3 COVENANTS

3.1 Covenants of the Securityholder

- (a) The Securityholder hereby covenants with the Purchaser and the Parent that from the date of this Agreement until the earlier of the termination of this Agreement in accordance with its terms and the Effective Time (the "**Expiry Time**"), the Securityholder will not:
 - (i) without having first obtained the prior written consent of the Parent, which consent shall not be unreasonably withheld, sell, transfer, gift, assign, convey, pledge, hypothecate, encumber, option or otherwise dispose of any right or interest in any of the Subject Securities or enter into any agreement, arrangement, commitment or understanding in connection therewith, other than (A) pursuant to the Arrangement or (B) transfers to or between affiliates of the Securityholder (provided that (1) the Securityholder will notify Parent of any such transfer; (2) such transfer does not relieve the Securityholder of any of its obligations under this Agreement with respect to the Subject Securities; and (3) any affiliate of the Securityholder will be required, in Parent's sole discretion, to enter into an agreement with Purchaser and the Parent substantially in the form of this Agreement with respect to all of such Subject Securities);

- (ii) other than as set forth herein, grant or agree to grant any proxies or powers of attorney, deposit any Subject Securities into a voting trust or pooling agreement, or enter into a voting agreement, commitment, understanding or arrangement, oral or written, with respect to the voting of any Subject Securities; or
 - (iii) requisition or join in the requisition of any meeting of any of the securityholders of the Company for the purpose of considering any resolution.
- (b) The Securityholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to vote (or cause to be voted) all the Subject Securities:
- (i) at any meeting of any of the securityholders of the Company at which the Securityholder is entitled to vote, including the Company Meeting; and
 - (ii) in any action by written consent of the securityholders of the Company,

in favour of the approval, consent, ratification and adoption of the Arrangement Resolution and the transactions contemplated by the Arrangement Agreement (and any actions required for the consummation of the transactions contemplated by the Arrangement Agreement). In connection with the foregoing, subject to this Section 3.1(b), the Securityholder hereby agrees to deposit a proxy, or voting instruction form, as the case may be, duly completed and executed in respect of all of the Subject Securities as soon as practicable following the mailing of the Company Circular and in any event at least 10 calendar days following such mailing, voting all such Subject Securities in favour of the Arrangement Resolution. The Securityholder hereby agrees that it will not take, nor permit any Person on its behalf to take, any action to withdraw, amend or invalidate any proxy or voting instruction form deposited pursuant to this Agreement notwithstanding any statutory or other rights or otherwise which the Securityholder might have unless this Agreement has at such time been previously terminated in accordance with Section 4.1.

- (c) The Securityholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to vote (or cause to be voted) the Subject Securities against any proposed action by the Company, its Shareholders, any of the Company's Subsidiaries or any other Person: (i) in respect of any Acquisition Proposal or Superior Proposal or other merger, take-over bid, amalgamation, plan of arrangement, business combination or similar transaction involving the Company or any Subsidiary of the Company, other than the Arrangement; (ii) which would reasonably be regarded as being directed towards or likely to prevent or delay the successful completion of the Arrangement, including without limitation any amendment to the articles or by-laws of the Company or any of its affiliates or their respective corporate structures; or (iii) any action or agreement that would result in a breach of any representation, warranty, covenant or other obligation of the Company under the Arrangement Agreement if such breach requires Shareholder approval;
- (d) Until the Expiry Time, the Securityholder hereby covenants, undertakes and agrees, in the event that any transaction other than the Arrangement is presented for approval of, or acceptance by, the Shareholders, whether or not it may be recommended by the Company's directors, not to directly or indirectly, (i) accept, knowingly assist or otherwise knowingly further the successful completion of such transaction or (ii) purport to tender or deposit into any such transaction any of the Subject Securities, and, in the event the directors of the Company make a Change in Recommendation, the Securityholder will, if requested by the Parent, publicly affirm its commitment to vote in favour of the Arrangement in accordance with the terms of this Agreement.
- (e) Until the Expiry Time, the Securityholder will not, and will ensure that its affiliates do not, directly or indirectly, through any officer, director, employee, representative or agent or otherwise:
- (i) solicit proxies or become a participant in a solicitation in opposition to or in competition with the Purchaser in connection with the Arrangement;
 - (ii) assist any affiliate or knowingly assist any other Person in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit the Purchaser in connection with the Arrangement;
 - (iii) act jointly or in concert with others with respect to voting securities of the Company for the purpose of opposing or competing with the Purchaser in connection with the Arrangement;
 - (iv) solicit, initiate, knowingly assist, knowingly encourage or otherwise facilitate (including by way of entering into any agreement, arrangement or understanding), any inquiry, proposal or offer relating to any Acquisition Proposal or potential Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement);
 - (v) participate in any discussions or negotiations regarding any Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement);
 - (vi) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement, arrangement or understanding related to any Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement); or
 - (vii) cooperate in any way with, participate in or knowingly assist, knowingly encourage or otherwise facilitate any effort or attempt by any other Person to do or seek to do any of the foregoing.
- (f) The Securityholder will not (i) exercise any dissent rights in respect of the Arrangement; or (ii) take any other action of any kind, in each case which would reasonably be regarded as likely to reduce the success of, or materially delay or interfere with the completion of, the transactions contemplated by the Arrangement Agreement.
- (g) The Securityholder will, and will cause each of its affiliates to, immediately cease and cause to be terminated any existing discussions or negotiations with any parties with respect to any potential Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement).
- (h) Until the Expiry Time, at the request of the Purchaser, the Parent or the Company, the Securityholder will use all commercially reasonable efforts in its capacity as a Shareholder to assist the Company, the Purchaser and the Parent to make all regulatory filings required to complete the Arrangement and the other transactions contemplated by the Arrangement Agreement and this Agreement.
- (i) The Securityholder hereby consents to:
- (i) details of this Agreement being set out in any press release, information circular, including the Company Circular, and court documents produced by the Company, the Purchaser, the Parent or any of their respective affiliates in connection with the transactions contemplated by this Agreement and the Arrangement Agreement, provided that to the extent any such filing contains disclosure regarding the Securityholder or its affiliates, the Securityholder has been provided with a reasonable opportunity to review and comment on such disclosure and reasonable consideration has been given by the Purchaser to any such comments; and
 - (ii) this Agreement being made publicly available, including by filing on the System for Electronic Document Analysis and Retrieval (SEDAR) operated on behalf of the Canadian Securities Administrators and/or by filing with or furnishing to the SEC, provided that the parties agree that this Agreement, including schedules, will be filed in its entirety on SEDAR and/or filed with or furnished to the SEC, without redaction other than (A) certain facsimile information in Section 4.9(a) hereof and Section 11.7 [Notices] of the Arrangement Agreement; and (B) specific dollar amounts referred to in Section 6.1 [Conduct of Business] of the Arrangement Agreement.
- (j) Except as required by applicable Law or applicable stock exchange requirements, the Securityholder will not, and will ensure that its affiliates do not, make any public announcement with respect to the transactions contemplated herein or pursuant to the Arrangement Agreement without the prior written approval of the Purchaser.

3.2 Alternative Forms of Transaction

If the event that, in lieu of the Arrangement, the Purchaser, the Parent or the Company determines in its good faith judgment that it is necessary or desirable to complete the acquisition of the Company Shares pursuant to an Alternative Transaction (as defined below), then the Securityholder shall, during the term of this Agreement, upon request of the Purchaser or the Parent support the completion of such Alternative Transaction in the same manner as the Arrangement in accordance with the terms and conditions of this Agreement, including by depositing or causing the deposit of the Subject Securities into the Alternative Transaction and not withdrawing them. For the purposes of this Agreement, an "Alternative Transaction" means a take-over bid made by the Parent (or an affiliate) in compliance with applicable securities Laws, to all of the shareholders of the Company that satisfies each of the following conditions (a) it provides for economic terms which, in relation to the Securityholder, on an after-tax basis, are in all respects at least equivalent to or better than those contemplated by the Arrangement Agreement, (b) it provides for conditions that are not more onerous than those set forth in the Arrangement Agreement, (c) it expires (following any extensions) no later than the earlier of (i) 70 days from the date that the Purchaser commences any take-over bid, and (ii) the Deadline Date, (d) it is, from the perspective of the Securityholder acting reasonably, otherwise on terms not materially more onerous on the Securityholder than the Arrangement, and (e) it is subject to a minimum tender condition of at least 66²/₃% of the outstanding Company Shares that cannot be waived without the approval of the Securityholder.

3.3 Covenant of the Purchaser and Parent

Subject to Section 4.1, each of Purchaser and the Parent will (a) comply with its respective obligations under the Arrangement Agreement and (b) take all steps required of it to cause the Arrangement to occur in both cases in accordance with the terms of and subject to the conditions set forth in the Arrangement Agreement.

ARTICLE 4 GENERAL

4.1 Termination

This Agreement will automatically terminate upon written notice from any party hereto and be of no further force or effect upon the earliest to occur of:

- (a) the agreement in writing of the Purchaser, the Parent and the Securityholder;
- (b) the termination of the Arrangement Agreement in accordance with its terms, unless prior to or concurrently with the termination of the Arrangement Agreement, the Parent (or an affiliate) commences an Alternative Transaction;
- (c) written notice by the Securityholder to the Parent if:
 - (i) subject to Section 4.3, any representation or warranty of the Purchaser or the Parent under this Agreement is untrue or incorrect in any material respect;
 - (ii) without the prior written consent of the Securityholder, there is any decrease in, or change in the form of, the consideration as set out in the Arrangement Agreement, other than any adjustment to the consideration pursuant to the terms of the Arrangement Agreement;
 - (iii) without the prior written consent of the Securityholder, (A) the conditions to the consummation of the Arrangement as set forth in the Arrangement Agreement have been amended in a manner that is adverse to the Securityholder, or (B) the terms of the Arrangement Agreement have been otherwise varied in a manner that is materially adverse to the Securityholder; or
 - (iv) subject to Section 4.3, the Purchaser or the Parent has not complied in any material respect with its covenants contained herein;

provided that at the time of such termination, the Securityholder is not in material default in the performance of its obligations under this Agreement;

- (d) written notice by the Purchaser or the Parent to the Securityholder if:
 - (i) subject to Section 4.3, any representation or warranty of the Securityholder under this Agreement is untrue or incorrect in any material respect; or
 - (ii) the Securityholder has not complied in any material respect with its covenants contained herein;

provided that at the time of such termination, neither the Purchaser nor the Parent is in material default in the performance of its obligations under this Agreement; and

- (e) the Deadline Date, if the conditions provided in Section 3.1 [Mutual Conditions] or Section 3.2 [Conditions in Favour of Company] of the Arrangement Agreement have not been satisfied by the Parent or Purchaser or waived by Company on or before the Deadline Date, provided however that this Agreement shall not terminate pursuant to this Section 4.1(e) if the Company's failure to fulfill any of its obligations under the Arrangement Agreement or if its breach of any of its representations and warranties under the Arrangement Agreement has been the cause of, or resulted in, the failure of the consummation of the Arrangement to occur by the Deadline Date.

4.2 Time of the Essence

Any date, time or period referred to in this Agreement will be of the essence, except to the extent to which the Securityholder, the Purchaser and the Parent agree in writing to vary any date, time or period, in which event the varied date, time or period will be of the essence.

4.3 Notice and Cure Provisions

- (a) Each party will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the termination of this Agreement of any event or state of facts which occurrence or failure would, or would be likely to give rise to a right of termination by the other party pursuant to Sections 4.1(c) or 4.1(d). Notification provided under this Section 4.3 will not affect the representations, warranties, covenants, agreements or obligations of the parties (or remedies with respect thereto).
- (b) The Securityholder may not exercise its right to terminate this Agreement pursuant to Sections 4.1(c)(i) or 4.1(c)(iv) and the Purchaser or the Parent may not exercise its right to terminate this Agreement pursuant to Section 4.1(d) unless the party seeking to terminate the Agreement delivers a written notice to the other party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the termination right. If any such notice is delivered prior to the Company Meeting, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may exercise such termination right until the earlier of (a) two Business Days prior to the Company Meeting, and (b) the date that is 10 Business Days following receipt of such notice by the party to whom the notice was delivered, if such matter has not been cured by such date. If any such notice is delivered after the date of the Company Meeting, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may exercise such termination right until the earlier of (a) five Business Days prior to the Deadline Date, and (b) the date that is 10 Business Days following receipt of such notice by the Party to whom the notice was delivered.

4.4 Effect of Termination

If this Agreement is terminated in accordance with the provisions of Section 4.1, no party will have any further liability to perform its obligations under this Agreement, provided that neither the termination of this Agreement nor anything contained in Section 4.1 will relieve any party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants made herein.

4.5 Equitable Relief

- (a) The parties hereby agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached, and that money damages or other legal remedies would not be an adequate remedy for any such damages. Accordingly, the parties acknowledge and hereby agree that in the event of any breach or threatened breach by the Securityholder, on the one hand, or the Purchaser or the Parent, on the other hand, of any of their respective covenants or obligations set forth in this Agreement, the Securityholder, on the one hand, and the Purchaser or the Parent, on the other hand, shall be entitled to an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement by the other, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other under this Agreement. Each of the parties hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches or threatened breaches of this Agreement by it, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other parties under this Agreement.
- (b) The parties hereto further agree that (x) by seeking the remedies provided for in this Section 4.5, a party shall not in any respect waive its right to seek any other form of relief that may be available to a party under this Agreement in the event that this Agreement has been terminated or in the event that the remedies provided for in this Section 4.5 are not available or otherwise are not granted, and (y) nothing set forth in this Section 4.5 shall require any party hereto to institute any proceeding for (or limit any party's right to institute any proceeding for) specific performance under this Section 4.5 prior or as a condition to exercising any termination right under Section 4.1 (and pursuing damages after such termination), nor shall the commencement of any legal proceeding restrict or limit any party's right to terminate this Agreement in accordance with the terms of Section 4.1 or pursue any other remedies under this Agreement that may be available then or thereafter.

4.6 Waiver; Amendment

Each party hereto agrees and confirms that any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by all of the parties or in the case of a waiver, by the party against whom the waiver is to be effective and no failure or delay by any party in exercising any right, power or privilege hereunder will operate as a waiver thereof nor

will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No waiver of any of the provisions of this Agreement will be deemed to constitute a waiver of any other provision (whether or not similar).

4.7 Entire Agreement

This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings among the parties with respect thereto.

4.8 Survival of Representations, Warranties and Covenants

The representations and warranties of the parties set out in Article 2 shall survive the closing of the Arrangement Agreement and remain in full force and effect for 18 months thereafter. This Section 4.8 shall not limit any covenant or agreement of the parties, which by its terms contemplates performance after the Effective Time.

4.9 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (each, a "Notice") will be in writing and will be sufficiently given if delivered (whether in person or other personal method of delivery) or if sent by prepaid overnight courier:

- (a) if to the Purchaser or the Parent:

Emergent BioSolutions Inc.
General Counsel
2273 Research Boulevard, Suite 400
Rockville, Maryland 20850
United States

Attention: General Counsel
Facsimile: 301-795-6783

with a copy (which will not constitute notice) to:

DLA Piper LLP (US)
The Marbury Building
6225 Smith Avenue
Baltimore, Maryland 21209-3600
United States

Attention: Howard S. Schwartz
Facsimile: 410-580-3251

and to:

McCarthy Tétraut LLP
66 Wellington Street West
Suite 5300
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Attention: Graham P.C. Gow
Ian Michael
Facsimile: 416-868-0673

- (b) if to the Securityholder:

Jeremy B. Desai
150 Signet Drive
Toronto, ON M9L 1T9

Facsimile: 416-401-3808

Any notice sent by prepaid overnight courier will be deemed to have been delivered as of the following Business Day. Any party hereto may, from time to time, change its address by giving Notice to the other parties in accordance with the provisions of this Section.

4.10 Severability

To the extent permitted by applicable Law, the parties waive any provision of applicable Law which renders any provision of this Agreement invalid or unenforceable in any respect. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable Law or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are fulfilled to the fullest extent possible.

4.11 Successors and Assigns

The provisions of this Agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors, permitted assigns and legal personal representatives, provided that no party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other parties hereto.

4.12 Expenses

Each party will pay all costs and expenses (including the fees and disbursements of legal counsel and other advisers) it incurs in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated by this Agreement provided that each party (the "breaching party") shall pay the fees and disbursements of legal counsel to another party (the "non-breaching party") to the extent related to any Proceedings brought by a non-breaching party to enforce this Agreement as a result of a breach of any provision of this Agreement by the breaching party.

4.13 Independent Legal Advice

Each of the parties hereby acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that they have either done so or waived their right to do so in connection with the entering into of this Agreement.

4.14 Further Assurances

The parties hereto will, with reasonable diligence, do all things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each party will provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after the Effective Time.

4.15 Language

The parties expressly acknowledge that they have requested that this Agreement and all ancillary and related documents thereto be drafted in the English language only. Les parties aux présentes reconnaissent avoir exigé que la présente entente et tous les documents qui y sont accessoires soient rédigés en anglais seulement.

4.16 Execution and Delivery

This Agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile or other electronic means and all the counterparts and facsimiles or other electronic copies together constitute one and the same agreement, and such facsimile or other electronic copies will be legally effective to create a valid and binding agreement between the parties.

4.17 Fiduciary Duties

For the avoidance of doubt, nothing in this Agreement shall limit any individual who is a director or officer of Company or any of its Subsidiaries from performing his or her fiduciary duties as a director or an officer of Company or any such Subsidiary, including for greater certainty, doing any act or thing permitted by the Arrangement Agreement, and no action taken by any such individual described pursuant to this Section 4.17 shall constitute a breach of this Agreement by the Securityholder or any of its affiliates.

[The remainder of this page has been intentionally left blank.]

IN WITNESS OF WHICH the parties have executed this Agreement.

2396638 Ontario Inc.

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: Vice President

Jeremy B. Desai

/s/ JEREMY B. DESAI

Emergent BioSolutions Inc

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: President and Chief Executive Officer

SCHEDULE "A"
COMPANY SHARES

Securityholder
Jeremy B. Desai

Company Shares
8,000 common shares

SCHEDULE "B"
ARRANGEMENT AGREEMENT

VOTING SUPPORT AGREEMENT

THIS AGREEMENT is made as of December 11, 2013.

BETWEEN:

2396638 Ontario Inc., a corporation existing under the laws of Ontario, Canada (the "Purchaser")

- and -

Jack M. Kay, an individual and resident in the Province of Ontario, Canada (the "Securityholder")

- and -

Emergent BioSolutions Inc., a corporation existing under the laws of Delaware, USA (the "Parent")

RECITALS:

1. The Securityholder is the beneficial owner, directly or indirectly, of certain Company Shares.
2. The Securityholder understands that the Company, the Purchaser and the Parent have entered into the Arrangement Agreement.
3. This Agreement sets out, among other things, the terms and conditions of the agreement of the Securityholder to abide by the covenants in respect of the Subject Securities and the other restrictions and covenants set forth herein.
4. The Parent owns all of the outstanding securities of the Purchaser.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Arrangement Agreement. In this Agreement, including the recitals:

"**affiliate**" of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly, and "**control**" and any derivation thereof means the holding of voting securities of another entity sufficient to elect a majority of the board of directors (or the equivalent) of such entity;

"**Arrangement Agreement**" means the arrangement agreement dated December 11, 2013 between the Purchaser, the Company and the Parent, a copy of which is attached to this Agreement as Schedule "B";

"**Company**" means Cangene Corporation, a corporation existing under the laws of the Province of Ontario;

"**Deadline Date**" means (i) if Parent or Purchaser has not commenced an Alternative Transaction prior to June 30, 2014, then June 30, 2014, and (ii) if Parent or Purchaser has commenced an Alternative Transaction prior to June 30, 2014, the earlier of (A) the termination of the Alternative Transaction and (B) July 31, 2014;

"**Expiry Time**" has the meaning ascribed thereto in Section 3.1(a);

"**Governmental Entity**" means any national, supra-national, federal, state, municipal, local or foreign government, or any court, tribunal, arbitrator, administrative agency, commission or other governmental or quasi-governmental authority or instrumentality, including any government-owned or government-controlled enterprise, in each case whether domestic or foreign, any stock exchange or similar self-regulatory organization or any quasi-governmental body exercising any regulatory, taxing or other governmental or quasi-governmental authority;

"**Law**" means all United States or foreign federal, state, national, supra-national, provincial, municipal or local laws, constitutions, statutes, codes, rules, common law, regulations, ordinances, executive orders, treaties, decrees or edicts by a Governmental Entity having the force of law;

"**Notice**" has the meaning ascribed thereto in Section 4.9;

"**Subject Securities**" means the Company Shares currently owned by the Securityholder as specified in Schedule "A" hereto, and any other Company Shares acquired by the Securityholder or any of its affiliates subsequent to the date hereof, and will include all securities which such Subject Securities may be converted into, exchanged for or otherwise changed into;

1.2 Singular; Plural, etc.

In this Agreement, words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.3 Currency

Unless otherwise expressly stated, all references to currency herein will be deemed to be references to U.S. currency.

1.4 Headings, etc.

The division of this Agreement into Articles, Sections and Schedules and the insertion of the recitals and headings are for convenience of reference only and will not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement or in the Schedules hereto to Articles, Sections and Schedules refer to Articles, Sections and Schedules of and to this Agreement or of the Schedules in which such reference is made, as applicable.

1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day. In this Agreement, references from or through any date mean, unless otherwise specified, from and including that date and/or through and including that date, respectively.

1.6 Governing Law

This Agreement will be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the laws of Canada applicable therein, and will be construed and treated in all respects as an Ontario contract. Each of the parties hereby irrevocably attorns to the exclusive jurisdiction of the Courts of the Province of Ontario in respect of all matters arising under and in relation to this Agreement.

1.7 Incorporation of Schedules

Each of Schedules "A" and "B" attached hereto, for all purposes hereof, forms an integral part of this Agreement.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of the Securityholder

The Securityholder represents and warrants to the Purchaser and the Parent (and acknowledges that they are relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) the matters set out below:

- (a) The Securityholder is an individual and resident in the Province of Ontario, Canada.
- (b) The Securityholder has all necessary power, authority, capacity and right to enter into this Agreement and to carry out each of its obligations under this Agreement. This Agreement has been duly executed and delivered by the Securityholder and constitutes a legal, valid and binding obligation of the Securityholder enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (c) The Securityholder owns all of the Subject Securities. Other than the Subject Securities, neither the Securityholder nor any of its affiliates, beneficially own, or exercise control or direction over any additional securities, or any securities convertible or exchangeable into any additional securities, of the Company or any of its affiliates.
- (d) Currently the Securityholder is, and at the time at which the Subject Securities are acquired by the Purchaser under the Arrangement will be, the sole beneficial owner of the Subject Securities, with good and marketable title thereto, free and clear of all Liens.
- (e) The Securityholder has the sole right to sell and vote or direct the sale and voting of the Subject Securities.
- (f) No Person has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of the Subject Securities or any interest therein or right thereto, except the Purchaser pursuant to the Arrangement.
- (g) No consent, approval, order or authorization of, or declaration or filing with, any Person is required to be obtained by the Securityholder in connection with the execution and delivery of this Agreement by the Securityholder and the performance by it of its obligations under this Agreement.
- (h) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Securityholder, threatened against the Securityholder or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Securityholder's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.
- (i) None of the Subject Securities is subject to any proxy, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of any of the Company's securityholders or give consents or approvals of any kind.
- (j) None of the execution and delivery by the Securityholder of this Agreement or the completion of the transactions contemplated hereby or the compliance by the Securityholder with its obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Securityholder; (ii) any contract to which the Securityholder is a party or by which the Securityholder is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Law.

2.2 Representations and Warranties of the Purchaser and Parent

The Purchaser and the Parent jointly and severally represent and warrant to the Securityholder (and acknowledge that the Securityholder is relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) the matters set out below:

- (a) The Purchaser is a corporation duly incorporated and validly existing under the laws of Ontario, Canada and has all necessary corporate power, authority and capacity to enter into this Agreement. The execution and delivery of this Agreement and the performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (b) None of the execution and delivery by the Purchaser of this Agreement or the compliance by the Purchaser with the Purchaser's obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Purchaser; (ii) any contract to which the Purchaser is a party or by which the Purchaser is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Laws.
- (c) No material consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement, the performance by it of its obligations under this Agreement and the consummation by the Purchaser of the Arrangement, other than those which are contemplated by the Arrangement Agreement.
- (d) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Purchaser, threatened against the Purchaser or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Purchaser's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.
- (e) The Parent is a corporation duly incorporated and validly existing under the laws of Delaware, USA and has all necessary corporate power, authority and capacity to enter into this Agreement. The execution and delivery of this Agreement and the performance of this Agreement have been duly authorized by all necessary corporate action on the part of the Parent. This Agreement constitutes a legal, valid and binding obligation of the Parent enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (f) None of the execution and delivery by the Parent of this Agreement or the compliance by the Parent with the Parent's obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Parent; (ii) any contract to which the Parent is a party or by which the Parent is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Laws.
- (g) No material consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity is required to be obtained by the Parent in connection with the execution and delivery of this Agreement, the performance by it of its obligations under this Agreement and the consummation by the Parent of the Arrangement, other than those which are contemplated by the Arrangement Agreement.
- (h) There is no proceeding, claim or investigation pending before any Governmental Entity, or to the best of the knowledge of the Parent, threatened against the Parent or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Parent's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.

ARTICLE 3 COVENANTS

3.1 Covenants of the Securityholder

- (a) The Securityholder hereby covenants with the Purchaser and the Parent that from the date of this Agreement until the earlier of the termination of this Agreement in accordance with its terms and the Effective Time (the "**Expiry Time**"), the Securityholder will not:
 - (i) without having first obtained the prior written consent of the Parent, which consent shall not be unreasonably withheld, sell, transfer, gift, assign, convey, pledge, hypothecate, encumber, option or otherwise dispose of any right or interest in any of the Subject Securities or enter into any agreement, arrangement, commitment or understanding in connection therewith, other than (A) pursuant to the Arrangement or (B) transfers to or between affiliates of the Securityholder (provided that (1) the Securityholder will notify Parent of any such transfer; (2) such transfer does not relieve the Securityholder of any of its obligations under this Agreement with respect to the Subject Securities; and (3) any affiliate of the Securityholder will be required, in Parent's sole discretion, to enter into an agreement with Purchaser and the Parent substantially in the form of this Agreement with respect to all of such Subject Securities);

- (ii) other than as set forth herein, grant or agree to grant any proxies or powers of attorney, deposit any Subject Securities into a voting trust or pooling agreement, or enter into a voting agreement, commitment, understanding or arrangement, oral or written, with respect to the voting of any Subject Securities; or
 - (iii) requisition or join in the requisition of any meeting of any of the securityholders of the Company for the purpose of considering any resolution.
- (b) The Securityholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to vote (or cause to be voted) all the Subject Securities:
- (i) at any meeting of any of the securityholders of the Company at which the Securityholder is entitled to vote, including the Company Meeting; and
 - (ii) in any action by written consent of the securityholders of the Company,

in favour of the approval, consent, ratification and adoption of the Arrangement Resolution and the transactions contemplated by the Arrangement Agreement (and any actions required for the consummation of the transactions contemplated by the Arrangement Agreement). In connection with the foregoing, subject to this Section 3.1(b), the Securityholder hereby agrees to deposit a proxy, or voting instruction form, as the case may be, duly completed and executed in respect of all of the Subject Securities as soon as practicable following the mailing of the Company Circular and in any event at least 10 calendar days following such mailing, voting all such Subject Securities in favour of the Arrangement Resolution. The Securityholder hereby agrees that it will not take, nor permit any Person on its behalf to take, any action to withdraw, amend or invalidate any proxy or voting instruction form deposited pursuant to this Agreement notwithstanding any statutory or other rights or otherwise which the Securityholder might have unless this Agreement has at such time been previously terminated in accordance with Section 4.1.

- (c) The Securityholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to vote (or cause to be voted) the Subject Securities against any proposed action by the Company, its Shareholders, any of the Company's Subsidiaries or any other Person: (i) in respect of any Acquisition Proposal or Superior Proposal or other merger, take-over bid, amalgamation, plan of arrangement, business combination or similar transaction involving the Company or any Subsidiary of the Company, other than the Arrangement; (ii) which would reasonably be regarded as being directed towards or likely to prevent or delay the successful completion of the Arrangement, including without limitation any amendment to the articles or by-laws of the Company or any of its affiliates or their respective corporate structures; or (iii) any action or agreement that would result in a breach of any representation, warranty, covenant or other obligation of the Company under the Arrangement Agreement if such breach requires Shareholder approval;
- (d) Until the Expiry Time, the Securityholder hereby covenants, undertakes and agrees, in the event that any transaction other than the Arrangement is presented for approval of, or acceptance by, the Shareholders, whether or not it may be recommended by the Company's directors, not to directly or indirectly, (i) accept, knowingly assist or otherwise knowingly further the successful completion of such transaction or (ii) purport to tender or deposit into any such transaction any of the Subject Securities, and, in the event the directors of the Company make a Change in Recommendation, the Securityholder will, if requested by the Parent, publicly affirm its commitment to vote in favour of the Arrangement in accordance with the terms of this Agreement.
- (e) Until the Expiry Time, the Securityholder will not, and will ensure that its affiliates do not, directly or indirectly, through any officer, director, employee, representative or agent or otherwise:
- (i) solicit proxies or become a participant in a solicitation in opposition to or in competition with the Purchaser in connection with the Arrangement;
 - (ii) assist any affiliate or knowingly assist any other Person in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit the Purchaser in connection with the Arrangement;
 - (iii) act jointly or in concert with others with respect to voting securities of the Company for the purpose of opposing or competing with the Purchaser in connection with the Arrangement;
 - (iv) solicit, initiate, knowingly assist, knowingly encourage or otherwise facilitate (including by way of entering into any agreement, arrangement or understanding), any inquiry, proposal or offer relating to any Acquisition Proposal or potential Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement);
 - (v) participate in any discussions or negotiations regarding any Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement);
 - (vi) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement, arrangement or understanding related to any Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement); or
 - (vii) cooperate in any way with, participate in or knowingly assist, knowingly encourage or otherwise facilitate any effort or attempt by any other Person to do or seek to do any of the foregoing.
- (f) The Securityholder will not (i) exercise any dissent rights in respect of the Arrangement; or (ii) take any other action of any kind, in each case which would reasonably be regarded as likely to reduce the success of, or materially delay or interfere with the completion of, the transactions contemplated by the Arrangement Agreement.
- (g) The Securityholder will, and will cause each of its affiliates to, immediately cease and cause to be terminated any existing discussions or negotiations with any parties with respect to any potential Acquisition Proposal (other than the Purchaser's Acquisition Proposal pursuant to the Arrangement Agreement).
- (h) Until the Expiry Time, at the request of the Purchaser, the Parent or the Company, the Securityholder will use all commercially reasonable efforts in its capacity as a Shareholder to assist the Company, the Purchaser and the Parent to make all regulatory filings required to complete the Arrangement and the other transactions contemplated by the Arrangement Agreement and this Agreement.
- (i) The Securityholder hereby consents to:
- (i) details of this Agreement being set out in any press release, information circular, including the Company Circular, and court documents produced by the Company, the Purchaser, the Parent or any of their respective affiliates in connection with the transactions contemplated by this Agreement and the Arrangement Agreement, provided that to the extent any such filing contains disclosure regarding the Securityholder or its affiliates, the Securityholder has been provided with a reasonable opportunity to review and comment on such disclosure and reasonable consideration has been given by the Purchaser to any such comments; and
 - (ii) this Agreement being made publicly available, including by filing on the System for Electronic Document Analysis and Retrieval (SEDAR) operated on behalf of the Canadian Securities Administrators and/or by filing with or furnishing to the SEC, provided that the parties agree that this Agreement, including schedules, will be filed in its entirety on SEDAR and/or filed with or furnished to the SEC, without redaction other than (A) certain facsimile information in Section 4.9(a) hereof and Section 11.7 [Notices] of the Arrangement Agreement; and (B) specific dollar amounts referred to in Section 6.1 [Conduct of Business] of the Arrangement Agreement.
- (j) Except as required by applicable Law or applicable stock exchange requirements, the Securityholder will not, and will ensure that its affiliates do not, make any public announcement with respect to the transactions contemplated herein or pursuant to the Arrangement Agreement without the prior written approval of the Purchaser.

3.2 Alternative Forms of Transaction

If the event that, in lieu of the Arrangement, the Purchaser, the Parent or the Company determines in its good faith judgment that it is necessary or desirable to complete the acquisition of the Company Shares pursuant to an Alternative Transaction (as defined below), then the Securityholder shall, during the term of this Agreement, upon request of the Purchaser or the Parent support the completion of such Alternative Transaction in the same manner as the Arrangement in accordance with the terms and conditions of this Agreement, including by depositing or causing the deposit of the Subject Securities into the Alternative Transaction and not withdrawing them. For the purposes of this Agreement, an "Alternative Transaction" means a take-over bid made by the Parent (or an affiliate) in compliance with applicable securities Laws, to all of the shareholders of the Company that satisfies each of the following conditions (a) it provides for economic terms which, in relation to the Securityholder, on an after-tax basis, are in all respects at least equivalent to or better than those contemplated by the Arrangement Agreement, (b) it provides for conditions that are not more onerous than those set forth in the Arrangement Agreement, (c) it expires (following any extensions) no later than the earlier of (i) 70 days from the date that the Purchaser commences any take-over bid, and (ii) the Deadline Date, (d) it is, from the perspective of the Securityholder acting reasonably, otherwise on terms not materially more onerous on the Securityholder than the Arrangement, and (e) it is subject to a minimum tender condition of at least 66²/₃% of the outstanding Company Shares that cannot be waived without the approval of the Securityholder.

3.3 Covenant of the Purchaser and Parent

Subject to Section 4.1, each of Purchaser and the Parent will (a) comply with its respective obligations under the Arrangement Agreement and (b) take all steps required of it to cause the Arrangement to occur in both cases in accordance with the terms of and subject to the conditions set forth in the Arrangement Agreement.

ARTICLE 4 GENERAL

4.1 Termination

This Agreement will automatically terminate upon written notice from any party hereto and be of no further force or effect upon the earliest to occur of:

- (a) the agreement in writing of the Purchaser, the Parent and the Securityholder;
- (b) the termination of the Arrangement Agreement in accordance with its terms, unless prior to or concurrently with the termination of the Arrangement Agreement, the Parent (or an affiliate) commences an Alternative Transaction;
- (c) written notice by the Securityholder to the Parent if:
 - (i) subject to Section 4.3, any representation or warranty of the Purchaser or the Parent under this Agreement is untrue or incorrect in any material respect;
 - (ii) without the prior written consent of the Securityholder, there is any decrease in, or change in the form of, the consideration as set out in the Arrangement Agreement, other than any adjustment to the consideration pursuant to the terms of the Arrangement Agreement;
 - (iii) without the prior written consent of the Securityholder, (A) the conditions to the consummation of the Arrangement as set forth in the Arrangement Agreement have been amended in a manner that is adverse to the Securityholder, or (B) the terms of the Arrangement Agreement have been otherwise varied in a manner that is materially adverse to the Securityholder; or
 - (iv) subject to Section 4.3, the Purchaser or the Parent has not complied in any material respect with its covenants contained herein;

provided that at the time of such termination, the Securityholder is not in material default in the performance of its obligations under this Agreement;

- (d) written notice by the Purchaser or the Parent to the Securityholder if:
 - (i) subject to Section 4.3, any representation or warranty of the Securityholder under this Agreement is untrue or incorrect in any material respect; or
 - (ii) the Securityholder has not complied in any material respect with its covenants contained herein;

provided that at the time of such termination, neither the Purchaser nor the Parent is in material default in the performance of its obligations under this Agreement; and

- (e) the Deadline Date, if the conditions provided in Section 3.1 [Mutual Conditions] or Section 3.2 [Conditions in Favour of Company] of the Arrangement Agreement have not been satisfied by the Parent or Purchaser or waived by Company on or before the Deadline Date, provided however that this Agreement shall not terminate pursuant to this Section 4.1(e) if the Company's failure to fulfill any of its obligations under the Arrangement Agreement or if its breach of any of its representations and warranties under the Arrangement Agreement has been the cause of, or resulted in, the failure of the consummation of the Arrangement to occur by the Deadline Date.

4.2 Time of the Essence

Any date, time or period referred to in this Agreement will be of the essence, except to the extent to which the Securityholder, the Purchaser and the Parent agree in writing to vary any date, time or period, in which event the varied date, time or period will be of the essence.

4.3 Notice and Cure Provisions

- (a) Each party will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the termination of this Agreement of any event or state of facts which occurrence or failure would, or would be likely to give rise to a right of termination by the other party pursuant to Sections 4.1(c) or 4.1(d). Notification provided under this Section 4.3 will not affect the representations, warranties, covenants, agreements or obligations of the parties (or remedies with respect thereto).
- (b) The Securityholder may not exercise its right to terminate this Agreement pursuant to Sections 4.1(c)(i) or 4.1(c)(iv) and the Purchaser or the Parent may not exercise its right to terminate this Agreement pursuant to Section 4.1(d) unless the party seeking to terminate the Agreement delivers a written notice to the other party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the termination right. If any such notice is delivered prior to the Company Meeting, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may exercise such termination right until the earlier of (a) two Business Days prior to the Company Meeting, and (b) the date that is 10 Business Days following receipt of such notice by the party to whom the notice was delivered, if such matter has not been cured by such date. If any such notice is delivered after the date of the Company Meeting, provided that a party is proceeding diligently to cure such matter and such matter is capable of being cured, no party may exercise such termination right until the earlier of (a) five Business Days prior to the Deadline Date, and (b) the date that is 10 Business Days following receipt of such notice by the Party to whom the notice was delivered.

4.4 Effect of Termination

If this Agreement is terminated in accordance with the provisions of Section 4.1, no party will have any further liability to perform its obligations under this Agreement, provided that neither the termination of this Agreement nor anything contained in Section 4.1 will relieve any party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants made herein.

4.5 Equitable Relief

- (a) The parties hereby agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached, and that money damages or other legal remedies would not be an adequate remedy for any such damages. Accordingly, the parties acknowledge and hereby agree that in the event of any breach or threatened breach by the Securityholder, on the one hand, or the Purchaser or the Parent, on the other hand, of any of their respective covenants or obligations set forth in this Agreement, the Securityholder, on the one hand, and the Purchaser or the Parent, on the other hand, shall be entitled to an injunction or injunctions to prevent or restrain breaches or threatened breaches of this Agreement by the other, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other under this Agreement. Each of the parties hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches or threatened breaches of this Agreement by it, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of the other parties under this Agreement.
- (b) The parties hereto further agree that (x) by seeking the remedies provided for in this Section 4.5, a party shall not in any respect waive its right to seek any other form of relief that may be available to a party under this Agreement in the event that this Agreement has been terminated or in the event that the remedies provided for in this Section 4.5 are not available or otherwise are not granted, and (y) nothing set forth in this Section 4.5 shall require any party hereto to institute any proceeding for (or limit any party's right to institute any proceeding for) specific performance under this Section 4.5 prior to or as a condition to exercising any termination right under Section 4.1 (and pursuing damages after such termination), nor shall the commencement of any legal proceeding restrict or limit any party's right to terminate this Agreement in accordance with the terms of Section 4.1 or pursue any other remedies under this Agreement that may be available then or thereafter.

4.6 Waiver; Amendment

Each party hereto agrees and confirms that any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by all of the parties or in the case of a waiver, by the party against whom the waiver is to be effective and no failure or delay by any party in exercising any right, power or privilege hereunder will operate as a waiver thereof nor

will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. No waiver of any of the provisions of this Agreement will be deemed to constitute a waiver of any other provision (whether or not similar).

4.7 Entire Agreement

This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings among the parties with respect thereto.

4.8 Survival of Representations, Warranties and Covenants

The representations and warranties of the parties set out in Article 2 shall survive the closing of the Arrangement Agreement and remain in full force and effect for 18 months thereafter. This Section 4.8 shall not limit any covenant or agreement of the parties, which by its terms contemplates performance after the Effective Time.

4.9 Notices

Any notice, consent or approval required or permitted to be given in connection with this Agreement (each, a "**Notice**") will be in writing and will be sufficiently given if delivered (whether in person or other personal method of delivery) or if sent by prepaid overnight courier:

- (a) if to the Purchaser or the Parent:

Emergent BioSolutions Inc.
General Counsel
2273 Research Boulevard, Suite 400
Rockville, Maryland 20850
United States

Attention: General Counsel
Facsimile: 301-795-6783

with a copy (which will not constitute notice) to:

DLA Piper LLP (US)
The Marbury Building
6225 Smith Avenue
Baltimore, Maryland 21209-3600
United States

Attention: Howard S. Schwartz
Facsimile: 410-580-3251

and to:

McCarthy Tétraut LLP
66 Wellington Street West
Suite 5300
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Attention: Graham P.C. Gow
Ian Michael
Facsimile: 416-868-0673

- (b) if to the Securityholder:

Jack M. Kay
150 Signet Drive
Toronto, ON M9L 1T9

Facsimile: 416-401-3808

Any notice sent by prepaid overnight courier will be deemed to have been delivered as of the following Business Day. Any party hereto may, from time to time, change its address by giving Notice to the other parties in accordance with the provisions of this Section.

4.10 Severability

To the extent permitted by applicable Law, the parties waive any provision of applicable Law which renders any provision of this Agreement invalid or unenforceable in any respect. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any applicable Law or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are fulfilled to the fullest extent possible.

4.11 Successors and Assigns

The provisions of this Agreement will be binding upon and enure to the benefit of the parties hereto and their respective successors, permitted assigns and legal personal representatives, provided that no party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other parties hereto.

4.12 Expenses

Each party will pay all costs and expenses (including the fees and disbursements of legal counsel and other advisers) it incurs in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated by this Agreement provided that each party (the "breaching party") shall pay the fees and disbursements of legal counsel to another party (the "non-breaching party") to the extent related to any Proceedings brought by a non-breaching party to enforce this Agreement as a result of a breach of any provision of this Agreement by the breaching party.

4.13 Independent Legal Advice

Each of the parties hereby acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that they have either done so or waived their right to do so in connection with the entering into of this Agreement.

4.14 Further Assurances

The parties hereto will, with reasonable diligence, do all things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each party will provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after the Effective Time.

4.15 Language

The parties expressly acknowledge that they have requested that this Agreement and all ancillary and related documents thereto be drafted in the English language only. Les parties aux présentes reconnaissent avoir exigé que la présente entente et tous les documents qui y sont accessoires soient rédigés en anglais seulement.

4.16 Execution and Delivery

This Agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile or other electronic means and all the counterparts and facsimiles or other electronic copies together constitute one and the same agreement, and such facsimile or other electronic copies will be legally effective to create a valid and binding agreement between the parties.

4.17 Fiduciary Duties

For the avoidance of doubt, nothing in this Agreement shall limit any individual who is a director or officer of Company or any of its Subsidiaries from performing his or her fiduciary duties as a director or an officer of Company or any such Subsidiary, including for greater certainty, doing any act or thing permitted by the Arrangement Agreement, and no action taken by any such individual described pursuant to this Section 4.17 shall constitute a breach of this Agreement by the Securityholder or any of its affiliates.

[The remainder of this page has been intentionally left blank.]

IN WITNESS OF WHICH the parties have executed this Agreement.

2396638 Ontario Inc.

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: Vice President

Jack M. Kay

/s/ JACK M. KAY

Emergent BioSolutions Inc.

By: /s/ DANIEL J. ABDUN-NABI
Name: Daniel J. Abdun-Nabi
Title: President and Chief Executive Officer

SCHEDULE "A"
COMPANY SHARES

Securityholder
Jack M. Kay

Company Shares
247,800 common shares

SCHEDULE "B"
ARRANGEMENT AGREEMENT



Emergent BioSolutions
Planned Acquisition of
Cangene Corporation

December 11, 2013

***Advancing Emergent's Leadership
in Specialty Pharmaceuticals***

emergent

Provided December 11, 2013 as part of an oral presentation and is qualified by the entire presentation. This presentation contains forward-looking statements, and actual results may vary materially. Emergent disclaims any duty to update to reflect new information, events or circumstances.

EMERGENT BIOSOLUTIONS

▪Robert Burrows

Vice President Investor Relations

▪Daniel Abdun-Nabi

President and Chief Executive Officer

▪Barry Labinger

Executive Vice President and President Biosciences Division

▪Adam Havey

Executive Vice President and President Biodefense Division

▪Robert Kramer

Executive Vice President and Chief Financial Officer

- Benefits of the Transaction *Abdun-Nabi*
- Cangene Overview *Labinger /Havey*
- Transaction Overview *Kramer*
- Key Takeaways *Abdun-Nabi*
- Q&A

Forward Looking Statements

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements, other than statements of historical fact, including statements regarding the expected closing of the transaction, the potential opportunities and financial impact of the transaction, our financial guidance, and any other statements containing the words "believes", "expects", "anticipates", "intends", "plans", "forecasts", "estimates" and similar expressions, are forward-looking statements. These forward-looking statements are based on our current intentions, beliefs and expectations regarding future events. We cannot guarantee that any forward-looking statement will be accurate. Investors should realize that if underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could differ materially from our expectations. Investors are, therefore, cautioned not to place undue reliance on any forward-looking statement. Any forward-looking statement speaks only as of the date of this press release, and, except as required by law, we do not undertake to update any forward-looking statement to reflect new information, events or circumstances.

There are a number of important factors that could cause the company's actual results to differ materially from those indicated by such forward-looking statements, including uncertainties as to the satisfaction of closing conditions with respect to the transaction, including the timing and receipt of Cangene shareholder, Canadian court and regulatory approvals; our ability to successfully integrate the business and realize the potential benefits of the transaction; appropriations for BioThrax® procurement; our ability to successfully integrate the recent acquisition of the HPPD business and realize the benefits of the HPPD transaction; our ability to obtain new BioThrax sales contracts or modifications to existing contracts; our plans to pursue label expansions and improvements for BioThrax; availability of funding for our U.S. government grants and contracts; our ability to identify and acquire or in-license products or late-stage product candidates that satisfy our selection criteria; whether anticipated synergies and benefits from an acquisition or in-license are realized within expected time periods or at all; our ability to enter into selective collaboration arrangements; our ability to expand our manufacturing facilities and capabilities; the rate and degree of market acceptance and clinical utility of our products; the success of our ongoing and planned development programs; the timing of and our ability to obtain and maintain regulatory approvals for our product candidates; and our commercialization, marketing and manufacturing capabilities and strategy. The foregoing sets forth many, but not all, of the factors that could cause actual results to differ from our expectations in any forward-looking statement. Investors should consider this cautionary statement, as well as the risk factors identified in our periodic reports filed with the SEC, when evaluating our forward-looking statements.

The guidance in this presentation was only effective as of the date originally given and this presentation does not constitute an update or affirmation of such guidance.

Benefits of the Transaction

Daniel Abdun-Nabi
President and Chief Executive Officer

protected by  emergent
biosolutions™

Cangene Acquisition is Strategically, Operationally and Financially Compelling

STRATEGIC

- Solidifies leadership position in growing biodefense market with 3 additional US government procured therapeutics
- Advances Biosciences Division towards profitability through significant commercial product and service revenue
- Broadens manufacturing capabilities with revenue generating fill/finish business

OPERATIONAL

- Enables a suite of biodefense product offerings to government customers worldwide to more completely address CBRN threats
- Adds established commercial infrastructure that can be leveraged for future growth
- Provides opportunities for synergies through the integration of both operations

FINANCIAL

- Contributes to growth in Emergent's financial performance
 - Cangene FY2013 (July 31) financial results: revenue of \$127.3M, pre-tax operating profit of \$52.2M, net income of \$1.4M and zero debt
 - Expected to be accretive to Emergent in 2014, exclusive of transaction costs
- Structured as an all-cash transaction for \$222M; Cangene expected to have approximately \$35M in cash at close

Cangene Overview

Barry Labinger

Executive Vice President and President Biosciences Division

Adam Havey

Executive Vice President and President Biodefense Division



Cangene is a Diversified Specialty Pharma Company with FY13 Revenue of ~\$127M*

- Headquartered in Winnipeg, Manitoba, Canada
- >30 year history of commercial product sales
- >10 year track record of securing and executing on US government development and procurement contracts for biodefense countermeasures

Biosciences Division	Specialty Therapeutics	~\$44M*	<ul style="list-style-type: none"> ▪ 4 revenue generating products ▪ Fully integrated sales & marketing operations ▪ Established manufacturing infrastructure
	Contract Manufacturing	~\$33M*	<ul style="list-style-type: none"> ▪ Fill/finish services ▪ Supports >20 licensed products sold worldwide
Biodefense Division	Therapeutic Products	~\$50M*	<ul style="list-style-type: none"> ▪ 3 US government procured medical countermeasures targeting botulinum, smallpox and anthrax ▪ Existing manufacturing infrastructure

* Revenue FY2013 (Year ended July 31, 2013)



Protected by Emergent Biosolutions. Provided December 11, 2013 as part of an oral presentation and is qualified by the entire presentation. This presentation contains forward-looking statements, and actual results may vary materially. Emergent disclaims any duty to update to reflect new information, events or circumstances.

Cangene Contributes Seven Specialty Therapeutics and Fill/Finish CMO Business

Business	Product/Service	Indication(s)	Status
Biosciences Division			
Specialty Therapeutics	WinRho® SDF	<ul style="list-style-type: none"> Treatment – Immune Thrombocytopenic Purpura (ITP) Treatment – Hemolytic Disease of the Newborn (HDN) 	Licensed: US, Canada, ROW
	HepaGam B®	<ul style="list-style-type: none"> Post exposure prophylaxis – HBV Post exposure prophylaxis – Prevention of HBV recurrence following liver transplant 	Licensed: US, Canada, ROW
	VariZIG®	<ul style="list-style-type: none"> Post exposure prophylaxis – Reduction or prevention of severity of infection from varicella zoster virus (chicken pox) 	Licensed: US, Canada
	episil®	<ul style="list-style-type: none"> Treatment – Manage and relieve pain associated with oral lesions (oral mucositis) 	Licensed: US
Contract Manufacturing	Fill/finish	<ul style="list-style-type: none"> >20 approved products that are sold worldwide 	
Biodefense Division			
Specialty Therapeutics	BAT®	<ul style="list-style-type: none"> Treatment – Symptomatic botulism 	Licensed: US
	VIGIV®	<ul style="list-style-type: none"> Treatment – Adverse reactions to smallpox vaccination 	Licensed: US, Canada
	AIGIV	<ul style="list-style-type: none"> Treatment – Inhalational anthrax infection 	Emergency Use Authorization



See associated press release for important safety information.

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Transaction Overview

Robert Kramer

Executive Vice President and Chief Financial Officer

All Cash Consideration Reflects Efficient Use of Balance Sheet

TRANSACTION

- Purchase price of \$222M all-cash for 100% of Cangene's outstanding common shares (\$3.24 per share on a fully diluted basis)
 - ~\$35M of cash expected to be in Cangene at closing

FINANCING

- Committed debt financing of \$225M in place
 - \$100M revolver + \$125M term loan
 - Finance the acquisition and repay existing indebtedness
 - Syndicate includes: BAML, PNC and JPMorgan

Transaction Contributes to Growth in Emergent's Financial Performance

2013

- Reaffirming full year 2013 GAAP guidance for total revenues of \$300 to \$310M and net income of \$25 to \$30M
- Forecasting 2013 non-GAAP adjusted net income of \$30 to \$35M, excluding 2013 transaction-related and other costs^[1]

2014 and Beyond

- The company expects that the transaction will be accretive in 2014 and beyond, assuming a Q1 2014 close
 - Anticipating revenue contribution of \$90 to \$100M for the partial year period of 2014 with a compound annual growth rate of 4% to 6% over the next three years
 - Anticipating pre-tax operating margin contribution of 4% to 6%, exclusive of transaction-related costs, for the partial year period of 2014 improving to a target of 15% over the next three years

[1] Please refer to Slides 18 and 19 for an explanation and reconciliation of GAAP to non-GAAP measures.

Transaction Expected to Close in Q1 2014

- Approved by Boards of Directors of both companies
- Cangene to hold Special Meeting of Stockholders
 - 66²/₃% of votes cast in favor of transaction required for approval
 - Agreements are in place with shareholders who control, directly or indirectly, approximately 61% of the outstanding common shares of Cangene, under which they have agreed to irrevocably support and vote in favor of the transaction
- Structured as a Plan of Arrangement to be approved by a Canadian Court
- Subject to customary closing conditions

Key Takeaways

Daniel Abdun-Nabi
President and Chief Executive Officer

Transaction Represents a Major Step Towards Achievement Of Growth Plan

LEVERAGES EMERGENT'S CORE COMPETENCIES

- ✓ Broadens leadership position in Biodefense
- ✓ Expands manufacturing capabilities
- ✓ Capitalizes on proven government partnering expertise

ADVANCES EMERGENT TOWARDS GROWTH PLAN GOALS

- ✓ Moves closer to achieving target of >\$500M in product revenue by the end of 2015
- ✓ Diversifies revenue with 7 additional marketed specialty products and CMO services
- ✓ Contributes to achieving target of >15% three-year (2012-15) net income CAGR

**Advances Biosciences Division toward profitability
through significant product and service revenues**

Transaction Advances Emergent's Leadership in Specialty Pharmaceuticals

	Biosciences Division	Biodefense Division
Products	4 marketed specialty therapeutics <ul style="list-style-type: none"> ▪ Targeting attractive hospital market ▪ Addressing infectious diseases, hem/onc and transplantation 	5 biodefense countermeasures <ul style="list-style-type: none"> ▪ Vaccines, therapeutics and devices ▪ Addressing anthrax, botulinum, smallpox and chemical agents
Sales & Marketing	<ul style="list-style-type: none"> ▪ US-based sales force ▪ Ex-US distribution and sales network 	<ul style="list-style-type: none"> ▪ Stockpiled by US government ▪ International distribution and sales
Manufacturing	<ul style="list-style-type: none"> ▪ Biologics manufacturing ▪ Fill/finish capabilities ▪ CMO business 	<ul style="list-style-type: none"> ▪ Multi-product, campaignable facilities ▪ Flexible, disposable manufacturing
Development Portfolio	<ul style="list-style-type: none"> ▪ Novel clinical and preclinical candidates ▪ Proven platform technologies ▪ Well positioned for partnering and licensing opportunities 	<ul style="list-style-type: none"> ▪ Clinical and preclinical candidates addressing CBRN threats ▪ Significant US government development funding

**- Contributes to growth in financial performance -
~\$436M* annual revenue and increased profitability**

Q&A

Daniel Abdun-Nabi

President and Chief Executive Officer

Robert Kramer

Executive Vice President and Chief Financial Officer

Barry Labinger

Executive Vice President and President Biosciences Division

Adam Havey

Executive Vice President and President Biodefense Division

Moustapha El-Amine, Ph.D.

Senior Director Scientific Affairs

Use of Non-GAAP Financial Measures

This presentation contains a financial measure, adjusted net income, which is considered a "non-GAAP" financial measure under applicable Securities & Exchange Commission rules and regulations. This non-GAAP financial measure should be considered supplemental to and not a substitute for financial information prepared in accordance with generally accepted accounting principles. The company's definition of this non-GAAP measure may differ from similarly titled measures used by others.

The non-GAAP financial measure used in this presentation adjusts for specified items that can be highly variable or difficult to predict. The company views this non-GAAP financial measure as a means to facilitate management's financial and operational decision-making, including evaluation of Emergent's historical operating results, and comparison to competitors' operating results. This non-GAAP financial measure reflects an additional way of viewing aspects of the company's operations that, when viewed with GAAP results and the reconciliations to the corresponding GAAP financial measure, may provide a more complete understanding of factors and trends affecting Emergent's business.

The determination of the amounts that are excluded from this non-GAAP financial measure is a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts. The company is likely to exclude the following items from its non-GAAP adjusted net income in the future, the effect of which is uncertain but may be significant in amount:

- Expenses related to completed and future acquisitions of other businesses, including amortization of acquired intangible and tangible assets, and transaction costs;
- Expenses associated with any potential restructuring activities, including but not limited to, asset impairments, accelerated depreciation, severance costs and lease abandonment charges; and
- Other one-time or non-recurring charges.

Because non-GAAP financial measures exclude the effect of items that will increase or decrease the company's reported results of operations, management strongly encourages investors to review the company's consolidated financial statements and publicly filed reports in their entirety. A reconciliation of the non-GAAP financial measure to the most directly comparable GAAP financial measure is included table in the subsequent slide, entitled "Non-GAAP Financial Measures — Reconciliation."

Non-GAAP Financial Measures — Reconciliation

Reconciliation of 2013 Non-GAAP Adjusted Net Income to 2013 GAAP Net Income

The slide entitled "Transaction Contributes to Emergent's Financial Performance" includes forward-looking information about the company's 2013 financial forecast, specifically 2013 non-GAAP adjusted net income of between \$30 to \$35M. The following table provides details regarding the selected items excluded from GAAP net income and outlines a reconciliation of 2013 Non-GAAP adjusted net income to 2013 GAAP net income.

<i>(in millions)</i>	Financial Guidance for the Year Ended December 31, 2013
GAAP Net Income	\$25 to \$30
Adjustments:	
• Cangene transaction-related costs	3.4
• HPPD transaction-related costs	0.8
• UK restructuring expense	2.8
• Adjusted income tax expense	(2.1)
Non-GAAP Adjusted Net Income	\$30 to \$35

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biosolutions™

Emergent BioSolutions
Planned Acquisition of
Cangene Corporation

December 11, 2013

***Advancing Emergent's Leadership
in Specialty Pharmaceuticals***

emergent

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TRANSACTION FACTSHEET

EMERGENT BIOSOLUTIONS TO ACQUIRE CANGENE

Cangene's expertise in specialty biopharma and biodefense is highly complementary to Emergent's product portfolio and consistent with Emergent's infrastructure

Transaction solidifies Emergent's leadership position in growing biodefense market, advances its Biosciences Division towards profitability, and broadens manufacturing capabilities with revenue generating fill/finish business

Transaction contributes to growth in Emergent's financial performance




TRANSACTION HIGHLIGHTS

CONSIDERATION

All-cash transaction valued at \$3.24 per share (C\$3.44 per share) for an aggregate purchase price of US\$222 million

FINANCING

Emergent has secured debt financing of US\$225 million, a portion of which will support the acquisition

ACCRETION

Expected to be accretive to Emergent in 2014, exclusive of transaction-related costs

PREMIUM

Represents a premium of approximately 27% to Cangene's closing stock price of C\$2.70 on December 10, 2013 and 45% to Cangene's 90-day volume weighted average stock price

TRANSACTION STRUCTURE

Transaction is structured as a Plan of Arrangement under Canadian law and subject to a number of customary closing conditions, including approval by 66 ⅔% of the votes cast by Cangene shareholders

CLOSING

Anticipated close in first calendar quarter of 2014



COMPANY HIGHLIGHTS

Emergent BioSolutions is a specialty pharmaceutical company seeking to protect and enhance life by offering specialized products to healthcare providers and governments to address medical needs and emerging health threats.

ESTABLISHED	1998
HEADQUARTERS	Rockville, MD
TTM (9/30/13) REVENUE	US\$309 million
KEY PRODUCTS	Infectious Disease - BioThrax® Chemical Decontamination - RSDL®



COMPANY HIGHLIGHTS

Cangene is focused on the development and commercialization of specialty therapeutics. Products are sold worldwide and have been accepted into the United States Strategic National Stockpile.

ESTABLISHED	1984
HEADQUARTERS	Winnipeg, MB
TTM (7/31/13) REVENUE	US\$127 million
KEY PRODUCTS	Commercial - WinRho® SDF - HepaGam B® - VariZIG - episil Biodefense - Vaccinia Immune Globulin Intravenous - Anthrax Immune Globulin - Botulism Antitoxin Heptavalent

CANGENE CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This document contains forward-looking statements about the Corporation, including its business operations, expected financial performance and condition. Forward-looking statements include statements that are predicted depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "believes", "estimates", or negative versions thereof, and similar expressions. In addition, any statement that may

concerning future financial performance (including revenues, earnings or growth rates), ongoing business strategy, future use, safety and efficacy of unapproved products or unapproved uses of products, and possible future actions. The Corporation are also forward-looking statements. Forward-looking statements are based on current expectations about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about economic factors and the biopharmaceutical industry generally. They are not guarantees of future performance. Actual results could differ materially from those expressed or implied by forward-looking statements made by the Corporation, not limited to, important factors such as sales levels; fluctuations in operating results; the Corporation's reliance on customers including government organizations; the demand for new products and the impact of competitive pricing; the availability and cost of raw materials, and in particular, the cost, availability and antibody concentration; progress and cost of clinical trials; costs and possible development delays resulting from use of legal, regulatory and other strategies by the Company's competitors; uncertainty related to intellectual property protection and potential conflicts with its defence as well as general economic, political and market factors in North America and internationally; interest rate and exchange rates; business competition; technological change; changes in government action, policies or regulations; actions of Health Canada, the United States Food and Drug Administration and other regulatory authorities regarding when they will approve drug applications that have been or may be filed, as well as their decisions regarding labeling and other matters that affect the availability or commercial potential of drug candidates; unexpected judicial or regulatory proceedings; natural disasters or other events; the Corporation's ability to complete strategic transactions; and other factors beyond the control of management.

The reader is cautioned that the foregoing list of important factors is not exhaustive and there may be other factors that could affect the Corporation's performance. The Corporation has filed other filings with securities regulators, including factors set out under "Risk and Uncertainties" in the Corporation's Management Discussion and Analysis, which, along with other filings, is available for review at www.sedar.com. The reader is advised to consider these and other factors carefully and not to place undue reliance on forward-looking statements. Other than as required by applicable law, the Corporation has no intention to update any forward-looking statements, whether they contain information, future events or otherwise.

EMERGENT BIOSOLUTIONS SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. Any statements, other than statements of historical fact, including statements regarding the expected closing of the transaction, the potential opportunities and financial impact of the transaction, and other statements containing the words "believes", "expects", "anticipates", "intends", "plans", "forecasts", "estimates" or similar expressions, are forward-looking statements. These forward-looking statements are based on our current intent and expectations regarding future events. We cannot guarantee that any forward-looking statement will be accurate or that we will realize that if underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could differ materially from our expectations. Investors are, therefore, cautioned not to place undue reliance on any forward-looking statement. Any forward-looking statement speaks only as of the date of this document, and, except as required by law, we do not intend to update any forward-looking statement to reflect new information, events or circumstances.

There are a number of important factors that could cause actual results to differ materially from those indicated in our forward-looking statements, including uncertainties as to the satisfaction of closing conditions with respect to the transaction, the timing and receipt of Cangene shareholder, Canadian court and regulatory approvals; and Emergent's ability to integrate the business and realize the potential benefits of the transaction. Investors should consider this cautionary statement as well as the risk factors identified in Emergent's reports filed with the Securities and Exchange Commission, when evaluating our forward-looking statements.

