

Conduct of the Services. ARL Bio Pharma, Inc., an Oklahoma corporation (“ARL”) will perform testing, prepare a Certificate of Analysis, and all other services agreed to by ARL and Client (collectively, the “Services”) in accordance with generally prevailing industry standards of professional conduct. For non-confidential testing, the specification(s) are for informational purposes only. For analytical testing, the analyte is reported as it was calculated to derive the result. Client shall verify that the specification and analyte reported are correct for the formulation. For Services to be performed pursuant to a Quote, ARL will perform the Services in accordance with the standards set forth in the Quote. For cGMP Services, a Quality Agreement may be executed by Client and ARL in addition to the Quote. In such instance, ARL will perform the Services in accordance with the Quote, cGMP, and the Quality Agreement.

ARL makes no representation regarding the release of your product. The test data supplied in and of itself is not sufficient to make a decision on the release of pharmaceutical products for distribution. The reported results only relate to the sample that was tested.

Test Material. Client is responsible for selecting the samples or other materials (“Test Material”) that Client sends to ARL for Services in compliance with all applicable laws, regulations, and rules of the relevant governmental regulatory authorities. Client will provide ARL (at no cost to ARL) sufficient amounts of Test Material necessary to perform each test, as well as such data and other information as may be necessary or useful for ARL to perform the Services and to apprise ARL of the stability, proper storage, and safe handling requirements with respect to the Test Material, including a Safety Data Sheet (SDS) or equivalent documentation. Client will promptly send to ARL any additional Test Material requested by ARL for completion of the Services. Thirty (30) days following the completion of Services, ARL will discard any remaining Test Material unless Client advises ARL prior to the expiration of the thirty (30) day period that Client wants the remaining Test Material returned and provides ARL with instructions and payment for the return of the remaining Test Material. Client will not use, nor cause another person or entity to use, any Test Material for human or animal consumption.

Change in Scope. Client may request a change in scope of any Services, but ARL must agree to such change prior to implementing the change, and ARL may revise the fee for the Services affected by the change in scope.

Cancellation of Routine Testing. Client may cancel a routine test at any time prior to ARL’s commencement of the routine test. In such event, ARL, in its sole discretion, may charge a cancellation fee of \$20 per canceled test for any testing canceled by the Client after ARL’s receipt of the relevant Test Material.

Cancellation of On-Going Studies. Client may cancel any on-going studies performed by ARL at any time without cause upon fifteen (15) business days prior written notice to ARL. In such event, Client shall pay ARL for all Services rendered through the effective date of termination, together with any additional expenses incurred by ARL in connection with the termination of the study, including those which were previously committed to by ARL for completion of the study.

Personnel. To the best of ARL’s knowledge, none of its employees who will participate in testing have been debarred, or are under consideration to be debarred, by the Food and Drug Administration from working in or providing Services to any pharmaceutical or biotechnology company under the Generic Drug Enforcement Act of 1992, as amended.

Inspections. Once per year, upon thirty (30) days advance notice to ARL, Client or its designated representative, if such representative is reasonably acceptable to ARL, may visit ARL’s facilities to observe the testing. The visit must be during normal business hours and occur at a mutually agreeable time.

Test Records and Reports. ARL will keep complete and accurate records of each test for five (5) years after completion of the test.

Fees. Client shall promptly pay all fees for services when due and payable. All payments must be in US Dollars. If Client requests a rush for the performance of any Service, ARL may, in its sole discretion, add a surcharge to the rushed Services.

For Services not specified in a Quote, such as routine testing, each new Client must prepay all

charges for at least sixty (60) days after commencing business with ARL in order to establish a purchase history. Prepayments can be made via check, credit card, or wire transfer. After the sixty (60) day period, Client may request a credit review. Once ARL establishes a credit limit for Client, ARL will invoice Client for Services and Client must pay each invoice within fifteen (15) days of the date of the invoice.

For Services performed pursuant to a Quote, Client must pay the amounts specified in the Quote. The pricing of each Quote is valid for ninety (90) days from the date of the Quote. Client shall pay all invoices and other amounts due under the Quote within thirty (30) days of receipt of the relevant invoice unless otherwise specified in the Quote. Any changes in the fees must be mutually agreed to by the parties in a written amendment to the Quote.

All fees for all Services, whether or not performed pursuant to a Quote, must be paid by the applicable due date. All fees not paid will bear interest at a rate of one and one-half percent (1.5%) per month from the applicable due date until paid. If Client does not pay each invoice when due, ARL may elect to suspend any Services, including, but not limited to, any testing that may be in progress, delaying the start of new testing, and withholding reports or other deliverables. Additionally, Client shall reimburse ARL for all costs related to collection of unpaid fees, including reasonable attorneys’ fees and costs.

Subcontractors. ARL may outsource or use contractors for any or all Services.

Confidentiality. The parties anticipate that they may exchange proprietary and confidential information (the “Confidential Information”) related to the performance of Services. All Confidential Information must be identified in writing as confidential. Each party will use commercially reasonable efforts to maintain the other party’s Confidential Information in confidence and will employ reasonable procedures to prevent its unauthorized publication or disclosure to third parties. No party may use the other party’s Confidential Information for any purpose other than performance of the Services.

Warranties. Client warrants that it owns all rights, title, and interest in and to all Test Material and intellectual property related

thereto, and that ARL's use of any and all such Test Material in connection with the Services does not infringe any copyrights, patent rights, trade secrets, or other intellectual property rights of any third party. Client also warrants that it will comply with all applicable laws, regulations, and rules of the relevant governmental regulatory authorities related to the sale, distribution, final product release, or other use of any Test Material.

ARL warrants to Client that all Services provided to Client will be in accordance with generally prevailing industry standards of professional conduct and comply with all applicable laws, regulations, and rules of the relevant governmental regulatory authorities. If Services are performed pursuant to a Quote, ARL also warrants that the Services will conform to the specifications in the Quote. These warranties of ARL are made only to Client, are not transferable, and do not extend to the benefit of any other person or entity. OTHER THAN THE FOREGOING WARRANTIES, THE SERVICES ARE SOLD AND PROVIDED "AS IS," WITHOUT WARRANTY OF ANY KIND, STATUTORY, EXPRESS, OR IMPLIED. THE WARRANTIES PROVIDED IN THIS PARAGRAPH ARE ARL'S SOLE AND EXCLUSIVE WARRANTIES WITH RESPECT TO THE SERVICES AND IN LIEU OF ALL OTHER WARRANTIES, STATUTORY, EXPRESS, OR IMPLIED, AND ALL OTHER WARRANTIES ARE EXPRESSLY DISCLAIMED AND INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, AND RESULTS OBTAINED (INCLUDING, WITHOUT LIMITATION, ANY CLAIM OF INACCURATE, INVALID, OR INCOMPLETE RESULTS), WHETHER ARISING BY STATUTE, OTHERWISE SOURCES OF LAW, OR FROM COURSE OF PERFORMANCE, DEALING, OR USAGE OF TRADE.

Limitation of Liability. ARL WILL NOT BE LIABLE FOR PENALTIES, LIQUIDATED DAMAGES, OR SPECIAL, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES OF ANY TYPE OR KIND (INCLUDING, WITHOUT LIMITATION, LOST PROFITS) REGARDLESS OF WHETHER ANY SUCH LOSSES OR

DAMAGES ARE CHARACTERIZED AS ARISING FROM BREACH OF CONTRACT, BREACH OF WARRANTY, TORT, STRICT LIABILITY, OR OTHERWISE, EVEN IF ARL IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES, OR IF SUCH LOSSES OR DAMAGES ARE FORESEEABLE.

ARL'S SOLE LIABILITY FOR DIRECT DAMAGES, OR CLAIM OF INDEMNIFICATION, FOR ANY SERVICES PROVIDED TO CLIENT, REGARDLESS OF THE FORM OF ACTION, WILL NOT EXCEED THE TOTAL SERVICE FEES PAID BY CLIENT FOR THE SERVICES AT ISSUE. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THESE TERMS AND CONDITIONS, ARL'S SOLE LIABILITY, AND CLIENT'S SOLE REMEDY FOR ARL'S BREACH OF THESE TERMS AND CONDITIONS, OR THE WARRANTIES SET FORTH HEREIN, WILL BE RE-PERFORMANCE OF THE AFFECTED SERVICES AT ARL'S SOLE COST AND EXPENSE.

Indemnification. Subject to the Limitation of Liability contained herein, ARL shall indemnify Client and its respective directors, officers, employees, and agents (collectively, the "Client Indemnitees") from and against any losses, damages, fines, and liabilities, including attorney fees and litigation expenses (collectively, "Damages"), incurred by the Client Indemnitees as a result of any third-party claims, demands, suits, actions, or causes of action (collectively, "Claim") arising from: (i) ARL's breach, violation, non-compliance, or non-performance of these Terms and Conditions or Quote (if applicable); and (ii) ARL's gross negligence or willful misconduct in the performance of Services. ARL will pay any Damages subject to the Limitation of Liability set forth herein which, by final judgment, after exhaustion of all reasonable appeals, may be assessed against the Client Indemnitees in connection therewith.

Client shall indemnify and defend ARL and its respective directors, officers, employees, and agents (together, the "ARL Indemnitees") from and against any third-party Claim, and any Damages resulting from such Claim, against an ARL Indemnitee arising from: (i) Client's breach, violation, non-compliance, or non-performance of these Terms and Conditions or

Quote (if applicable); (ii) Client's gross negligence or willful misconduct; (iii) the marketing, labeling, recall, manufacture, distribution, use, sale, or other disposition by Client or any distributor, customer, sublicensee, or representative of Client, of any Test Material, product, process, technology, or other material or information that Client provides to ARL (collectively, the "Client Supplied Materials and Technology"); (iv) any assertion that the Client Supplied Materials and Technology or ARL's use of the Client Supplied Materials and Technology infringes the know-how, trade secrets, patent rights, copyrights, or other intellectual property rights or confidential information rights of a third party. If Client breaches its duty to defend ARL against such a third-party Claim, Client shall reimburse ARL for the reasonable attorney fees and litigation expenses incurred by ARL in defending the Claim, and the reasonable attorney fees and litigation expenses incurred in recouping the defense attorney fees and litigation expenses from Client.

Inventions. Client shall exclusively own all data generated by ARL in the performance of the Services, together with any discoveries or inventions developed, generated, or conceived in the performance of the Services, including modifications or improvements to any proprietary technology, information, or Test Material provided by Client to ARL. ARL agrees to reasonably assist Client, at Client's expense and at ARL's standard rate of \$350 per hour, in obtaining and vesting ownership in any patents, copyrights, or other proprietary rights in such data, discoveries, or inventions.

ARL will exclusively own all other techniques, methods, processes, models, tools, assays, or other discoveries or inventions that are developed, generated, conceived, or utilized in the performance of the Services.

Controlling Terms. In the event that there is any conflict between these Terms and Conditions and the Quote, the terms in the Quote will apply.

Independent Contractor. The business relationship of the parties is that of independent contractors and not of partners, joint venturers, employers, employees, or any similar kind of relationship.

Applicable Law, Jurisdiction, and Venue.

The Services these Terms and Conditions, and any applicable Quote are governed by, and construed in accordance with, the laws of the State of Oklahoma, USA, without regard to any choice of law principle that would dictate the application of the law of another jurisdiction. Venue of all disputes regarding the Services, these Terms and Conditions, or an applicable Quote must be brought in the District Court for the State of Oklahoma, Oklahoma County.

Force Majeure. ARL will not be liable for any delay or failure of performance, including, without limitation, failure to perform a Service, where such delay or failure arises or results from any cause beyond ARL's reasonable control, including, but not limited to, flood, fire, explosion, natural catastrophe, military operations, war, computer or other equipment failure, severe weather, earthquake, tornado, or other act of God, power loss or reduction, labor disputes of any kind (whether relating to its own employees or others), embargos, governmental regulation, or an inability or delay in obtaining materials. In the event of any such delay or failure of performance, ARL will have additional time to perform the Services as reasonably necessary under the circumstances.

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