

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended June 30, 2014

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 000-17272

TECHNE CORPORATION
(Exact name of Registrant as specified in its charter)

Minnesota
(State of Incorporation)

41-1427402
(IRS Employer Identification No.)

614 McKinley Place N.E., Minneapolis, MN
(Address of principal executive offices)

55413-2610
(Zip Code)

Registrant's telephone number: (612) 379-8854

Securities registered pursuant to Section 12(b) of the Act: Common Stock, \$0.01 par value

Name of each exchange on which registered: The Nasdaq Stock Market LLC
(Nasdaq Global Select Market)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark whether the registrants has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes ☐ No ☒

The aggregate market value of the Common Stock held by non-affiliates of the Registrant, based upon the closing sale price on December 31, 2013 as reported on The Nasdaq Stock Market (\$94.67 per share) was approximately \$2.7 billion. Shares of Common Stock

held by each officer and director and by each person who owns 5% or more of the outstanding Common Stock have been excluded.

Shares of \$0.01 par value Common Stock outstanding at August 22, 2014: 37,007,203

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's Proxy Statement for its 2014 Annual Meeting of Shareholders are incorporated by reference into Part III.

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PART I
ITEM 1. BUSINESS

OVERVIEW

Techne and its subsidiaries, collectively doing business as Bio-Techne (Bio-Techne, we, our, us or the Company) develop, manufacture and sell biotechnology products and clinical diagnostic controls worldwide. With our deep product portfolio and application expertise, Bio-Techne is a leader in providing specialized proteins, including cytokines and growth factors, and related immunoassays, small molecules and other reagents to the research, diagnostics and clinical controls markets.

A Minneapolis, Minnesota-based company, Bio-Techne originally was founded as Research and Diagnostic Systems, Inc. (R&D Systems) in 1976, initially producing hematology controls and calibrators for primary use in clinical settings. Techne Corporation, a public entity at the time and currently the parent company, acquired R&D Systems in 1984 and through this action made R&D Systems a public company. The initial products focused on the hematology blood controls and calibrators market but soon expanded through the creation of the Biotechnology Division, to include reagents used in life science research. A series of acquisitions further expanded the product portfolio. These included the Amgen research business in 1991, the Genzyme research business in 1997, Fortron Bio Science, Inc. and BiosPacific, Inc. (BiosPacific) in 2005, and Boston Biochem, Inc. and Tocris Holdings Limited (Tocris) in 2011. In fiscal 2014, we further strengthened our clinical controls solutions by acquiring Bionostics Holdings Limited (Bionostics), and our biotechnology segment offerings were increased by the recent acquisition of Shanghai PrimeGene Bio-Tech Co. (PrimeGene), and an agreement to invest in and possibly acquire CyVek, Inc. (CyVek). With these recent investments, we will be able to scale our business and expand into new product and geographic markets.

Recognizing the importance of a unified and global approach to meeting our mission and accomplishing our strategies, in fiscal 2014 we implemented a new global brand, Bio-Techne. The Bio-Techne brand is derived from the Greek words “Bio,” or “life,” and “Techne,” or “the application of knowledge to practical matters.” The combination of these words and their meanings capture the essence of Bio-Techne, its products and mission. The acquisition of various brands over the years drove the need for an umbrella branding strategy that could hold all of the acquired assets. The Bio-Techne name solidifies the new strategic direction for the Company along with unifying and positioning all of our brands under one complete portfolio.

With these strategic efforts, as well as the establishment of dedicated subsidiaries in Europe and Asia, we now operate globally along with offices in several locations in the United States, Europe and China. Today, our product line extends to over 24,000 products, 95% of which are manufactured in-house. While maintaining our core strengths in cytokines and immunoassays, we also develop antibodies, cell selection and multicolor flow cytometry kits, multiplex assays, biologically active compounds, and stem cell products and kits.

We are committed to providing the life sciences community with innovative, high-quality scientific tools to better understand biological processes and drive discovery. We intend to build on Bio-Techne’s past accomplishments, strong reputation and financial position by executing strategies that position us to become the standard for biological content in the research market, and to leverage that leadership position to enter the diagnostics and other adjacent markets. Our strategies include:

- *Continued innovation in core products.* Through collaborations with key opinion leaders and participation in scientific discussions and associations, we expect to leverage our continued significant investment in our research and development activities to be first-to-market with quality products that are at the leading edge of life science researchers’ needs.
- *Investments in targeted acquisitions.* We intend to leverage our strong balance sheet to gain access to new technologies and products that improve our competitiveness in the current market and allow us to enter adjacent markets.
- *Expansion of geographic footprint.* We will continue to expand our sales staff and distribution channels globally in order to increase our global presence and make it easier for customers to transact with us.

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- *Realignment of resources.* In recognition of the increased size and scale of the organization, we intend to redesign our development and operational resources to create greater efficiencies throughout the organization.
- *Talent recruitment and retention.* We will recruit, train and retain the most talented staff to implement all of our strategies effectively.

OUR PRODUCTS AND MARKETS

Currently Bio-Techne operates worldwide and has two reportable business segments, Biotechnology and Clinical Controls, both of which serve the life science and diagnostic markets. The Biotechnology reporting segment develops, manufactures and sells biotechnology research and diagnostic products world-wide. The Clinical Controls reporting segment develops and manufactures controls and calibrators for the global clinical market. In fiscal 2014, net sales from Bio-Techne's Biotechnology segment were 84% of consolidated net sales. Bio-Techne's Clinical Controls segment net sales were 16% of consolidated net sales for fiscal 2014. Financial information relating to Bio-Techne's segments is incorporated herein by reference to Note L to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K.

Biotechnology Segment

Through our Biotechnology segment, we are one of the world's leading suppliers of specialized proteins, such as cytokines, growth factors, immunoassays, antibodies and related reagents, to the biotechnology research community. The proteins are produced naturally in minute amounts by different cell types and can be isolated in a pure form either from the same cells or produced through recombinant DNA technology. With the acquisition of Tocris in April 2011, we added chemically-based products to our Biotechnology segment. These small compounds, sold in highly purified forms typically with agonistic or antagonistic properties in a variety of biological processes, allow customers access to a broad range of compounds and biological reagents to meet their life science research needs. Our combined chemical and biological reagents portfolio provides new tools which customers can use in solving the complexity of important biological pathways and glean knowledge which may lead to a fuller understanding of biological processes and ultimately to the development of novel strategies to address different pathologies.

Currently, the majority of the protein products are produced by laboratory processes that use recombinant DNA technology, while our chemically-based products are produced using available chemicals. Consequently, raw materials are readily available for most of our products in the Biotechnology segment.

Biotechnology Segment Products

Proteins. Cytokines, growth factors and enzymes, extracted from natural sources or produced using recombinant DNA technology, are developed and manufactured in house. All protein products are produced to the highest possible purity and characterized to ensure the highest level of biological activity. The growing interest by academic and commercial researchers in cytokines is largely due to the profound effect that tiny amounts of a cytokine can have on cells and tissues. Cytokines are intercellular messengers and, as a result, act as signaling agents by interacting with specific receptors on the affected cells and trigger events that can lead to significant changes in a cell behavior. For example, cytokines can induce cells to acquire more specialized functions and features (differentiation) or can play a key role in attracting cells at the site of injury, inducing them to grow and initiate the healing process. Unregulated cytokine production and action can have non-beneficial effects and lead to various pathologies. Enzymes are proteins which act as biological catalysts that accelerate chemical reactions. Most enzymes, including proteases, kinases and phosphatases, are proteins that modify the structure and function of other proteins and in turn affect cell behavior and function. Additionally, both enzymes and cytokines have the potential to serve as predictive biomarkers and therapeutic targets for a variety of diseases and conditions including cancer, Alzheimer's, arthritis, autoimmunity, diabetes, hypertension, obesity, inflammation, AIDS and influenza.

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Antibodies. Antibodies are specialized proteins produced by the immune system of an animal that recognize and bind to target molecules. Bio-Techne's polyclonal antibodies are produced in animals (primarily goats, sheep and rabbits) and purified from the animals' blood. Monoclonal antibodies are derived from immortalized rodent cell lines using hybridoma technology and are isolated from cell culture medium. The flow cytometry product line includes fluorochrome labeled antibodies and kits that are used to determine the immuno-phenotypic properties of cells from different tissues.

Immunoassays. We market a variety of immunoassays on different testing platforms, including a microtiter-plate based kit sold under the trade name Quantikine®, multiplex immunoassays based on encoded bead technology and immunoassays based on planar spotted surfaces. All of these immunoassay products are used by researchers to quantify the level of a specific protein in biological fluids, such as serum, plasma, or urine. Protein quantification is an integral component of basic research, as potential diagnostic tools for various diseases and as a valuable indicator of the effects of new therapeutic compounds in the drug discovery process.

Immunoassays can also be useful in clinical diagnostics. We have received Food and Drug Administration (FDA) marketing clearance for erythropoietin (EPO), transferrin receptor (TfR) and Beta2-microglobulin (β2M) immunoassays for use as *in vitro* diagnostic devices.

Small Molecule Chemically-based Products. These products include small natural or synthetic chemical compounds used by investigators as agonists, antagonists and/or inhibitors of various biological functions. Used in concert with other Company products, they provide additional tools to elucidate key pathways of cellular functions and can provide insight into the drug discovery process.

Recent acquisitions and investments made in fiscal 2014 and 2015 will further expand and complement Bio-Techne's current product offerings in the Biotechnology segment. For additional information regarding our investments and acquisitions, see "Acquisitions and Investments" under this Item 1.

Biotechnology Segment Customers and Distribution Methods

We sell our biotechnology products directly to customers who are primarily located in North America, Western Europe and China. In January 2014, we entered into a sales and marketing partnership agreement with Fisher Scientific in order to bolster our market presence in North America and leverage the transactional efficiencies offered by the large Fisher organization. We also sell through third party distributors in China, southern Europe and in the rest of the world. Our sales are widely distributed, and no single end-user customer accounted for more than 10% of Biotechnology's net sales during fiscal 2014, 2013 or 2012.

Biotechnology Segment Competitors

The worldwide market for protein related and chemically-based research reagents is being supplied by a number of companies, including GE Healthcare Life Sciences, BD Biosciences, Merck KGaA/EMD Chemicals, Inc., PeproTech, Inc., Santa Cruz Biotechnology, Inc., Abcam plc., Sigma-Aldrich Corporation, Thermo Fisher Scientific, Inc., Cayman Chemical Company and Enzo Biochem, Inc. Market success is primarily dependent upon product quality, selection and reputation, and we believe we are one of the leading world-wide suppliers of cytokine related products in the research market. We further believe that the expanding line of our products, their recognized quality, and the growing demand for protein related and chemically-based research reagents will allow us to remain competitive in the growing biotechnology research and diagnostic market.

Biotechnology Segment Manufacturing

Our Biotechnology segment develops and manufactures the majority of its cytokines using recombinant DNA technology, thus significantly reducing our reliance on outside resources. Tocris chemical-based products are synthesized from widely available products. We typically have several outside sources for all critical raw materials necessary for the manufacture of our products.

The majority of Bio-Techne's biotechnology products are shipped within one day of receipt of the customers' orders. Consequently, we had no significant backlog of orders for our Biotechnology segment products as of the date of this Annual Report on Form 10-K or as of a comparable date for fiscal 2013.

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Clinical Controls Segment

Proper diagnosis of many illnesses requires a thorough and accurate analysis of a patient's blood cells, which is usually done with automated or semi-automated hematology instruments. Our Clinical Controls segment develops and manufactures controls and calibrators for instruments in the global clinical market.

Clinical Controls Segment Products

Hematology controls and calibrators are products derived from various cellular components of blood which have been stabilized. Control and calibrator products can be utilized to ensure that hematology instruments are performing accurately and reliably. Ordinarily, a hematology control is used once to several times a day to make sure the instrument is reading accurately. In addition, most instruments need to be calibrated periodically. Hematology calibrators are similar to controls, but undergo additional testing to ensure that the calibration values assigned are within tight specifications and can be used to calibrate the instrument.

Cell-based whole blood controls. Our Clinical Controls segment offers a wide range of hematology controls and calibrators for both impedance and laser type cell counters. Hematology control products are also supplied for use as proficiency testing tools by laboratory certifying authorities in a number of states and countries. We believe our products have improved stability and versatility and a longer shelf life than most of those of our competitors.

Chemistry-based blood controls. The acquisition of Bionostics early in fiscal 2014 expanded our product offerings in the Clinical Controls segment through their chemistry-based blood controls. Controls for blood glucose and blood gas devices are the largest portion of Bionostics' business. Bionostics recently launched coagulation device control products which extend its product portfolio and allow it to enter an adjacent market segment in the controls business.

Clinical Controls Segment Customers and Distribution Methods

Original Equipment Manufacturer (OEM) agreements represent the largest market for our clinical controls products. In fiscal 2014, 2013 and 2012, OEM agreements accounted for \$41.2 million, \$10.8 million and \$9.7 million, respectively, or 12%, 3% and 3% of total consolidated net sales in each fiscal year, respectively. The increase in fiscal 2014 was a result of the acquisition of Bionostics. We sell our clinical control products directly to customers in the United States and through distributors in the rest of the world. One OEM customer accounted for approximately 14% of Clinical Controls' net sales during fiscal 2014. No single customer accounted for more than 10% of Clinical Controls' net sales in fiscal 2013 or 2012.

Clinical Controls Segment Competitors

Competition is intense in the clinical controls business. The first control products were developed in response to the rapid advances in electronic instrumentation used in hospital and clinical laboratories for blood cell counting. Historically, most of the instrument manufacturing companies made controls for use on their own instruments. With rapid expansion of the instrument market, however, a need for more versatile controls enabled non-instrument manufacturers to gain a foothold. Today the market is composed of manufacturers of laboratory reagents, chemicals and coagulation products and independent blood control manufacturers in addition to instrument manufacturers. The principal clinical diagnostic control competitors for our products in this segment are Abbott Diagnostics, Beckman Coulter, Inc., Bio-Rad Laboratories, Inc., Streck, Inc., Siemens Healthcare Diagnostics Inc. and Sysmex Corporation. We believe we are the third largest supplier of hematology controls in the marketplace behind Beckman Coulter, Inc. and Streck, Inc.

Clinical Controls Segment Manufacturing

The primary raw material for our clinical controls products is whole blood. Human blood is purchased from commercial blood banks, while porcine and bovine blood is purchased from nearby meat processing plants. After raw blood is received, it is separated into its components, processed and stabilized. Although the cost of human blood has increased due to the requirement that it be tested for certain diseases and pathogens prior to use, the higher cost of these materials has not had a material adverse effect on our business. Bio-Techne does not perform its own pathogen testing, as most suppliers test all human blood collected.

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There was no significant backlog of orders for our Clinical Control products as of the date of this Annual Report on Form 10-K or as of a comparable date for fiscal 2013. The majority of the Clinical Control products are shipped based on a preset, recurring schedule.

Geographic Information

Following is financial information relating to geographic areas (in thousands):

	Year Ended June 30,		
	2014	2013	2012
External sales			
United States	\$190,359	\$164,308	\$172,310
Europe	97,157	88,297	90,142
China	18,878	14,106	11,378
Other Asia	32,704	28,608	25,988
Rest of world	18,665	15,256	14,742
Total external sales	<u>\$357,763</u>	<u>\$310,575</u>	<u>\$314,560</u>
Long-lived assets			
United States	\$109,790	\$103,541	\$87,968
Europe	8,340	7,129	7,528
China	678	117	141
Total long-lived assets	<u>\$118,808</u>	<u>\$110,787</u>	<u>\$95,637</u>

Net sales are attributed to countries based on the location of the customer or distributor. Long-lived assets are comprised of land, buildings and improvements and equipment, net of accumulated depreciation and other assets. See the description of risks associated with the Company's foreign subsidiaries in Item 1A of this Annual Report on Form 10-K.

PRODUCTS UNDER DEVELOPMENT

Bio-Techne is engaged in ongoing research and development in all of our major product lines: controls and calibrators and cytokines, antibodies, assays, small bioactive molecules and related biotechnology products. We believe that our future success depends, to a large extent, on our ability to keep pace with changing technologies and market needs.

In fiscal 2014, Bio-Techne introduced approximately 1,600 new biotechnology products to the life science market. All of these products are for research use only and therefore did not require FDA clearance. We are planning to release new proteins, antibodies, immunoassay products and small molecules in the coming year. We also expect to significantly expand our portfolio of products through acquisitions of existing businesses. However, there is no assurance that any of the products in the research and development phase can be successfully completed or, if completed, can be successfully introduced into the marketplace.

	Year Ended June 30,		
	2014	2013	2012
Research expense (in thousands):			
Biotechnology	\$29,189	\$28,441	\$27,112
Clinical Controls	1,756	816	800
	<u>\$30,945</u>	<u>\$29,257</u>	<u>\$27,912</u>
Percent of net sales	9%	9%	9%

ACQUISITIONS AND INVESTMENTS

Fiscal 2015 Acquisitions

On July 31, 2014, Bio-Techne closed on the acquisition of all of the outstanding equity of ProteinSimple for approximately \$300 million. The purchase price may be adjusted post-closing based on the final levels of cash and working capital of ProteinSimple at closing. Certain ProteinSimple stockholders are subject to non-compete and non-solicitation obligations for three years following the closing. ProteinSimple develops, markets and sells Western-blotting instruments, biologics and reagents. Western blotting remains one of the most frequently practiced life science techniques, and ProteinSimple's tools allow researchers to perform this basic research technique with greater speed and efficiency. Automation of the Western blotting technique has the potential to drive additional sales of the consumables Bio-Techne already sells, especially antibodies which have been validated for Western blotting applications.

On July 2, 2014, Bio-Techne announced that it had acquired all of the issued and outstanding equity interests of Novus Biologicals, LLC (Novus) for approximately \$60.0 million. Novus is a Littleton, Colorado-based supplier of a large portfolio of both outsourced and in-house developed antibodies and other reagents for life science research, delivered through an innovative digital commerce platform. The acquisition further expanded our antibody portfolio, consistent with our long term strategic business plan to serve customers with a complete and quality line of reagents.

Fiscal 2014 Investments and Acquisitions

On July 22, 2013, the Company's R&D Systems subsidiary acquired for approximately \$103 million cash all of the outstanding shares of Bionostics. Bionostics is a global leader in the development, manufacture and distribution of control solutions that verify the proper operation of *in-vitro* diagnostic devices primarily utilized in point of care blood glucose and blood gas testing. Bionostics is included in Bio-Techne's Clinical Controls segment.

On April 30, 2014, Bio-Techne's China affiliate, R&D Systems China, acquired PrimeGene for approximately \$18.8 million. PrimeGene is a leader in the China market in the development and manufacture of recombinant proteins for research and industrial applications, and has large scale protein manufacturing capabilities to serve the Chinese market as well as global industrial customers. PrimeGene is included in Bio-Techne's Biotechnology segment.

On April 1, 2014, Bio-Techne, through its wholly-owned subsidiary R&D Systems, Inc., entered into an agreement to invest \$10.0 million in CyVek, Inc. in return for shares of CyVek common stock representing approximately 19.9% of the outstanding voting stock of CyVek. In connection with this investment, R&D Systems became a party to CyVek's existing investor agreements and has an observer seat on CyVek's board of directors. If, within 12 months of the date of the agreement, CyVek meets commercial milestones related to the sale of its CyPlex analyzer products, Bio-Techne will acquire all of the remaining stock of CyVek through a merger. If the merger is consummated, Bio-Techne will make an initial payment of \$60.0 million to the other stockholders of CyVek. The purchase price payable at the closing may be adjusted based on the final levels of CyVek's net working capital. We will also pay CyVek's other stockholders up to \$35.0 million based on the revenue generated by CyVek's products and related products before the date that is 30 months from the closing of the merger. We will also pay CyVek's other stockholders 50% of the amount, if any, by which the revenue from CyVek's products and related products exceeds \$100 million in calendar year 2020.

The combination of Bio-Techne's reagents on CyVek's multiplex testing platform, CyPlex™, will provide researchers with powerful tools to develop, validate and test biomarker panels so as to expedite life sciences research and enable biomarker-based diagnostics. This strategic investment will allow us to continue to have a strong market position in the immunoassay market where multiplex testing platforms are becoming more significant.

Fiscal 2013 and 2012 Acquisitions

We did not complete any material acquisitions or make any material strategic investments during fiscal 2013 and 2012.

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Prior Investments

Bio-Techne has an approximate 14% equity investment in ChemoCentryx, Inc. (CCXI). CCXI is a technology and drug development company working in the area of chemokines. Chemokines are cytokines which regulate the trafficking patterns of leukocytes, the effector cells of the human immune system. Bio-Techne's investment in CCXI is included in "Short-term available-for-sale investments" at June 30, 2014 and 2013 at fair values of \$37.1 million and \$89.6 million, respectively.

GOVERNMENT REGULATION

All manufacturers of clinical diagnostic controls are regulated under the Federal Food, Drug and Cosmetic Act, as amended. All of Bio-Techne's clinical control products are classified as "*in vitro* diagnostic products" by the U.S. Food and Drug Administration (FDA). The entire control manufacturing process, from receipt of raw materials to the monitoring of control products through their expiration date, is strictly regulated and documented. FDA inspectors make periodic site inspections of Bio-Techne's clinical control operations and facilities. Clinical control manufacturing must comply with Quality System Regulations (QSR) as set forth in the FDA's regulations governing medical devices.

Three of Bio-Techne's immunoassay kits, EPO, Tfr and β 2M, have FDA clearance to be sold for clinical diagnostic use. Bio-Techne must comply with QSR for the manufacture of these kits. Biotechnology products manufactured in the U.S. and sold for use in the research market do not require FDA clearance. Tocris products are used as research tools and require no regulatory approval for commercialization. Some of Tocris' products are considered controlled substances and require government permits to stock such products and to ship them to end-users. Bio-Techne has no reason to believe that these annual permits will not be re-issued.

Some of Bio-Techne's research groups use small amounts of radioactive materials in the form of radioisotopes in their product development activities. Thus, Bio-Techne is subject to regulation and inspection by the Minnesota Department of Health and has been granted a license through August 2016. Bio-Techne has had no difficulties in renewing this license in prior years and has no reason to believe it will not be renewed in the future. If, however, the license was not renewed, it would have minimal effect on Bio-Techne's business since there are other technologies the research groups could use to replace the use of radioisotopes.

Beginning on January 1, 2013, Bio-Techne is subject to the medical device excise tax which was included as part of the Affordable Care Act. The tax applies to the sale of medical devices by a manufacturer, producer or importer of the device and is 2.3% of the sale price. The tax applies to Bio-Techne's *in vitro* diagnostic products, including its clinical control products and biotechnology clinical diagnostic immunoassay kits. Bio-Techne's medical device excise tax for fiscal 2014 and 2013 was \$0.5 million and \$0.1 million, respectively.

PATENTS AND TRADEMARKS

Bio-Techne owns patent protection for certain clinical controls products which generally have a life of 20 years from the date of the patent application or patent grant. Bio-Techne is not substantially dependent on products for which it has obtained patent protection.

Bio-Techne may seek patent protection for new or existing products it manufactures. No assurance can be given that any such patent protection will be obtained. No assurance can be given that Bio-Techne's products do not infringe upon patents or proprietary rights owned or claimed by others, particularly for genetically engineered products. Bio-Techne has not conducted a patent infringement study for each of its products.

Bio-Techne has a number of licensing agreements with patent holders under which it has the exclusive and/or non-exclusive right to use patented technology as well as the right to manufacture and sell certain patented proteins and related products to the research market. For fiscal 2014, 2013 and 2012, total royalties expensed under these licenses were approximately \$3.5 million, \$3.3 million and \$3.2 million, respectively.

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Bio-Techne has obtained federal trademark registration for certain of its brand names and clinical controls and biotechnology product groups which generally have a life of 10 years from the date of the trademark grant. Bio-Techne believes it has common law trademark rights to certain marks in addition to those which it has registered.

SEASONALITY OF BUSINESS

Biotechnology segment products marketed by Bio-Techne historically experience a slowing of sales or of the rate of sales growth during the summer months. Bio-Techne also usually experiences a slowing of sales in both of its reportable segments during the Thanksgiving to New Year holiday period. Bio-Techne believes this seasonality is a result of vacation and academic schedules of its world-wide customer base.

EMPLOYEES

Through its subsidiaries, Bio-Techne employed 967 full-time and 54 part-time employees as of June 30, 2014, as follows:

	<i>Full-time</i>	<i>Part-time</i>
U.S.	782	25
Europe	107	29
Asia	78	0
	<u>967</u>	<u>54</u>

ENVIRONMENT

Compliance with federal, state and local environmental protection laws in the United States, United Kingdom, Germany, China and Hong Kong had no material effect on Bio-Techne in fiscal 2014.

INVESTOR INFORMATION

We are subject to the information requirements of the Securities Exchange Act of 1934 (the Exchange Act). Therefore, we file periodic reports, proxy statements, and other information with the Securities and Exchange Commission (SEC). Such reports, proxy statements, and other information may be obtained by visiting the Public Reference Room of the SEC at 100 F Street, N.E., Room 1580, Washington, DC 20549 or by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an internet site (<http://www.sec.gov>) that contains reports, proxy and information statements, and other information regarding issuers that file electronically.

Financial and other information about us is available on our web site (<http://www.bio-techne.com>). We make available on our web site copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13 or 15(d) of the Exchange Act as soon as reasonably practicable after filing such material electronically or otherwise furnishing it to the SEC.

EXECUTIVE OFFICERS OF THE REGISTRANT

Currently, the names, ages, positions and periods of service of each executive officer of the Company are as follows:

<i>Name</i>	<i>Age</i>	<i>Position</i>	<i>Officer Since</i>
Charles Kummeth	54	President, Chief Executive Officer and Director	2013
James T. Hippel	43	Chief Financial Officer	2014
Brenda Furlow	56	Senior Vice President, General Counsel	2014
J. Fernando Bazan	54	Chief Technical Officer	2013
Marcel Veronneau	60	Senior Vice President, Clinical Controls	1995
Kevin Reagan	62	Senior Vice President, Biotech	2013
David Eansor	53	Senior Vice President, Novus Biologicals	2014

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Set forth below is information regarding the business experience of each executive officer. There are no family relationships among any of the officers named, nor is there any arrangement or understanding pursuant to which any person was selected as an officer.

Charles Kummeth has been President and Chief Executive Officer of the Company since April 1, 2013. Prior to joining the Company, he served as President of Mass Spectrometry and Chromatography at Thermo Fisher Scientific Inc. from September 2011. He was President of that company's Laboratory Consumables Division from 2009 to September 2011. Prior to joining Thermo Fisher, Mr. Kummeth served in various roles at 3M Corporation, most recently as the Vice President of the company's Medical Division from 2006 to 2008.

James T. Hippel has been Chief Financial Officer of the Company since April 1, 2014. Prior to joining the Company, Mr. Hippel served as Senior Vice President and Chief Financial Officer for Mirion Technologies, Inc., a \$300 million global company that provides radiation detection and identification products. Prior to Mirion, Mr. Hippel served as Vice President, Finance at Thermo Fisher Scientific, Inc., leading finance operations for its Mass Spectrometry & Chromatography division and its Laboratory Consumables division. In addition, Mr. Hippel's experience includes nine years of progressive financial leadership at Honeywell International, within its Aerospace Segment. Mr. Hippel started his career with KPMG LLP and is a CPA (inactive).

Brenda Furlow joined the Company as Senior Vice President and General Counsel on August 4, 2014. Most recently, Ms. Furlow was an associate with Alphatech Counsel, SC and served as general counsel to emerging growth technology companies. Ms. Furlow was General Counsel for TomoTherapy, Inc., a global, publicly traded company that manufactured and sold radiation therapy equipment from 2007 to 2011. From 1998 to 2007, Ms. Furlow served as General Counsel for Promega Corporation, a global life sciences company. In addition, Ms. Furlow's experience includes five years in various positions with a credit union trade association. Ms. Furlow began her legal career as an associate with a Chicago-based law firm.

Dr. J. Fernando Bazan was appointed Chief Technical Officer when he joined the Company on August 1, 2013. Dr. Bazan is an adjunct professor at the University of Minnesota School of Medicine and served as Chief Scientific Officer at Neuroscience, Inc., a neuroimmunology startup from 2010 to 2012. From 2003 through 2010, Dr. Bazan served as Senior Scientist at Genentech, Inc. (Roche).

Marcel Veronneau was appointed as Vice President, Clinical Controls in March 1995. Prior thereto, he served as Director of Operations for R&D Systems' Clinical Controls Division since joining the Company in 1993.

Dr. Kevin Reagan was appointed Senior Vice President, Biotech on August 1, 2013. Dr. Reagan joined the Company in January 2012 as R&D Systems' Vice President of Immunology. Prior to joining the Company, Dr. Reagan served as Managing Director of Calbiotech Veterinary Diagnostics from 2010 through 2011 and Senior Vice President of Calbiotech, Inc from 2009 through 2011. From 2005 through 2009, he served as Vice President, R&D, Immunological Systems at Invitrogen, Corp, a division of Life Technologies Corporation.

David Eansor has served as Senior Vice President, Novus Biologicals, since the Company completed its acquisition of Novus on July 2, 2014. From January 2013 until the date of the acquisition, Mr. Eansor was the Senior Vice President of Corporate Development of Novus Biologicals. Prior to joining Novus, Mr. Eansor was the President of the Bioscience Division of Thermo Fisher Scientific. Mr. Eansor was promoted to Division President in early 2010 after 5 years as President of Thermo Fisher's Life Science Research business.

ITEM 1A. RISK FACTORS

Statements in this Annual Report on Form 10-K, and elsewhere, that are forward-looking involve risks and uncertainties which may affect the Company's actual results of operations. Certain of these risks and uncertainties which have affected and, in the future, could affect the Company's actual results are discussed below. The Company undertakes no obligation to update or revise any forward-looking statements made due to new information or future events. Investors are cautioned not to place undue emphasis on these statements.

The following risk factors should be read carefully in connection with evaluation of the Company's business and any forward-looking statements made in this Annual Report on Form 10-K and elsewhere. Any of the following risks or others discussed in this Annual Report on Form 10-K or the Company's other SEC filings could materially adversely affect the Company's business, operating results and financial condition.

Changes in economic conditions could negatively impact the Company's revenues and earnings.

The Company's biotechnology products are sold primarily to research scientists at pharmaceutical and biotechnology companies and at university and government research institutions. Research and development spending by the Company's customers and the availability of government research funding can fluctuate due to changes in available resources, mergers of pharmaceutical and biotechnology companies, spending priorities, general economic conditions and institutional and governmental budgetary policies. The U.S. and global economies have experienced a period of economic downturn. Such downturns, and other reductions or delays in governmental funding, could cause customers to delay or forego purchases of the Company's products. The Company carries essentially no backlog of orders and changes in the level of orders received and filled daily can cause fluctuations in quarterly revenues and earnings.

The biotechnology and clinical control industries are very competitive, more so recently due to consolidation trends.

The Company faces significant competition across all of its product lines and in each market in which it operates. Competitors include companies ranging from start-up companies, which may be able to more quickly respond to customers' needs, to large multinational companies, which may have greater financial, marketing, operational, and research and development resources than the Company. In addition, consolidation trends in the pharmaceutical and biotechnology industries have served to create fewer customer accounts and to concentrate purchasing decisions for some customers, resulting in increased pricing pressure on the Company. Moreover, customers may believe that consolidated businesses are better able to compete as sole source vendors, and therefore prefer to purchase from such businesses. The entry into the market by manufacturers in China and other low-cost manufacturing locations is also creating increased pricing and competitive pressures, particularly in developing markets. Failure to anticipate and respond to competitors' actions may impact the Company's future sales and earnings.

The Company's future growth is dependent on the development of new products in a rapidly changing technological environment.

One element of the Company's growth strategy is to increase revenues through new product releases. As a result, the Company must anticipate industry trends and develop products in advance of customer needs. New product development requires planning, designing and testing at both technological and manufacturing-process levels and may require significant research and development expenditures. There can be no assurance that any products now in development, or that the Company may seek to develop in the future, will achieve feasibility or gain market acceptance. There can also be no assurance that the Company's competitors will not succeed in developing technologies and products in a more timely and cost effective manner than the Company. If the Company does not appropriately innovate and invest in new technologies, the Company's technologies will become outdated, rendering the Company's technologies and products obsolete or noncompetitive. To the extent the company fails to introduce new and innovative products, the Company may lose market share to its competitors, which may be difficult or impossible to regain.

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Acquisitions and divestitures pose financial, management and other risks and challenges.

The Company routinely explores acquiring other businesses and assets. From time to time, the Company may also consider disposing of certain assets, subsidiaries, or lines of business. In early fiscal 2014, the Company finalized the acquisition of Bionostics. In the last quarter of fiscal 2014, the Company acquired PrimeGene and announced its investment in CyVek and its intention to acquire the remaining shares of CyVek in the event certain milestones were met. Subsequent to the close of fiscal 2014, the Company also acquired Novus and ProteinSimple. Acquisitions or divestitures present financial, managerial and operational challenges, including diversion of management attention, difficulty with integrating acquired businesses, integration of different corporate cultures or separating personnel and financial and other systems, increased expenses, assumption of unknown liabilities, indemnities, and potential disputes with the buyers or sellers, and the need to evaluate the financial systems of and establish internal controls for acquired entities. There can be no assurance that the Company will engage in any acquisitions or divestitures or that the Company will be able to do so on terms that will result in any expected benefits. In addition, acquisitions financed with borrowings could make the Company more vulnerable to business downturns and could negatively affect the Company's earnings due to higher leverage and interest expense.

The Company is subject to risk associated with global operations.

The Company engages in business globally, with approximately 47% of the Company's sales revenue in fiscal 2014 coming from outside the U.S. This subjects the Company to a number of risks, including international economic, political, and labor conditions; tax laws (including U.S. taxes on foreign subsidiaries); increased financial accounting and reporting burdens and complexities; unexpected changes in, or impositions of, legislative or regulatory requirements; failure of laws to protect intellectual property rights adequately; inadequate local infrastructure and difficulties in managing and staffing international operations; delays resulting from difficulty in obtaining export licenses for certain technology; tariffs, quotas and other trade barriers and restrictions; transportation delays; operating in locations with a higher incidence of corruption and fraudulent business practices; and other factors beyond the Company's control, including terrorism, war, natural disasters, climate change and diseases.

The application of laws and regulations implicating global transactions is often unclear and may at times conflict. Compliance with these laws and regulations may involve significant costs or require changes in the Company's business practices that result in reduced revenue and profitability. Non-compliance could also result in fines, damages, criminal sanctions, prohibitions business conduct, and damage to the Company's reputation. The Company incurs additional legal compliance costs associated with its global operations and could become subject to legal penalties in foreign countries if it does not comply with local laws and regulations, which may be substantially different from those in the U.S.

The Company conducts and plans to grow its business in developing markets.

The Company's efforts to grow its businesses depends, to a degree, on its success in developing market share in additional geographic markets including, but not limited to, China. In some cases, these countries have greater political and economic volatility and greater vulnerability to infrastructure and labor disruptions than the Company's other markets. Operating and seeking to expand business in a number of different regions and countries exposes the Company to multiple and potentially conflicting cultural practices, business practices and legal and regulatory requirements.

In many foreign countries, particularly in those with developing economies, it may be common to engage in business practices that are prohibited by U.S. regulations applicable to the Company, such as the Foreign Corrupt Practices Act. Although the Company implements policies and procedures designed to ensure compliance with these laws, there can be no assurance that all of the Company's employees, contractors, and agents, as well as those companies to which the Company outsources certain aspects of its business operations, including those based in foreign countries where practices which violate such U.S. laws may be customary, will comply with the Company's internal policies. Any such non-compliance, even if prohibited by the Company's internal policies, could have an adverse effect on the Company's business and result in significant fines or penalties.

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The Company is significantly dependent on sales made through foreign subsidiaries which are subject to changes in exchange rates and changes to the strength of foreign governments and economic conditions.

Approximately 30% of the Company's net sales in fiscal 2014 were made through its foreign subsidiaries, which transact their sales in foreign currencies. Any adverse movement in foreign currency exchange rates could, therefore, negatively affect the Company's revenues and earnings. Moreover, the financial crisis faced by several Eurozone countries, and the ongoing economic instability in that region, may lead to reduced spending on health care and research by Eurozone governments, which could adversely affect the Company's European sales, as well as its revenues, financial condition and results of operations.

The Company may incur losses as a result of its investments in ChemoCentryx, Inc., CyVek, Inc. and other companies in which it does not have a majority interest, the success of which is largely out of the Company's control.

The Company's expansion strategies include collaborations and investments in joint ventures and companies developing new products related to the Company's business. These strategies carry risks that objectives will not be achieved and future earnings will be adversely affected.

The Company has an approximate 14% equity investment in ChemoCentryx, Inc. (CCXI) that is valued at \$37.1 million on the Company's June 30, 2014 Consolidated Balance Sheet. CCXI is a biopharmaceutical company focused on discovering, developing and commercializing orally-administered therapeutics to treat autoimmune diseases, inflammatory diseases and cancers. The development of new drugs is a highly risky undertaking. CCXI is dependent on a limited number of products, must achieve favorable clinical trial results, obtain regulatory and marketing approval for these products and is reliant on a strategic alliance with GlaxoSmithKline. CCXI has also incurred significant losses and has yet to achieve profitability.

The ownership of CCXI shares is very concentrated, the share price is highly volatile and there is limited trading of the shares. These factors make it possible that the Company could experience future dilution or a decline in the \$7.6 million unrealized gain it has on its CCXI investment and/or its original \$29.5 million investment in CCXI. At August 22, 2014, the market value of the Company's investment in CCXI was \$30.9 million.

On April 1, 2014, the Company invested \$10 million in CyVek, Inc. in exchange for shares of CyVek's common stock representing approximately 19.9% of the outstanding voting stock of CyVek. In connection with this investment, the Company also became a party to CyVek's existing investor agreements and has an observer seat on CyVek's board of directors. CyVek is an instrument company that has developed a microfluidics instrument platform and related reagents for performing immunoassays and other assays for the research market. Cyvek has incurred significant losses and has not yet achieved profitability. There is no assurance that the Company's investment in CyVek will bring sufficient returns, and may in fact result in losses.

The Company's success will be dependent on recruiting and retaining highly qualified personnel.

Recruiting and retaining qualified scientific, production and management personnel are critical to the Company's success. The Company's anticipated growth and its expected expansion into areas and activities requiring additional expertise will require the addition of new personnel and the development of additional expertise by existing personnel. The failure to attract and retain such personnel could adversely affect the Company's business.

The Company is dependent on maintaining its intellectual property rights.

The Company's success depends in part on its ability to protect and maintain its intellectual property, including trade secrets. The Company attempts to protect trade secrets in part through confidentiality agreements, but those agreements can be breached, and if they are, there may not be an adequate remedy. If trade secrets become publicly known, the Company could lose its competitive position.

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In addition, the Company's success depends in part on its ability to operate without infringing the proprietary rights of others, and to obtain licenses where necessary or appropriate. The Company has obtained and continues to negotiate licenses to produce a number of products claimed to be owned by others. Since the Company has not conducted a patent infringement study for each of its products, it is possible that products of the Company may unintentionally infringe patents of third parties.

The Company has been and may in the future be sued by third parties alleging that the Company is infringing their intellectual property rights. These lawsuits are expensive, take significant time, and divert management's focus from other business concerns. If the Company is found to be infringing the intellectual property of others, it could be required to cease certain activities, alter its products or processes or pay licensing fees. This would cause unexpected costs and delays which may have a material adverse effect on the Company. If the Company is unable to obtain a required license on acceptable terms, or unable to design around any third party patent, it may be unable to sell some of its products and services, which could result in reduced revenue. In addition, if the Company does not prevail, a court may find damages or award other remedies in favor of the opposing party in any of these suits, which may adversely affect the Company's earnings.

The Company has entered into and drawn on a revolving credit facility. The burden of this additional debt could adversely affect the Company, make it more vulnerable to adverse economic or industry conditions, and prevent it from funding its expansion strategy.

In connection with the acquisition of ProteinSimple in July 2014, the Company entered into a revolving credit facility, governed by a Credit Agreement dated July 28, 2014. The Credit Agreement provides for a revolving credit facility of \$150 million, which can be increased by an additional \$150 million subject to certain conditions. Borrowings under the Credit Agreement bear interest at a variable rate. As of July 31, 2014, the Company had drawn \$125 million under the Credit Agreement.

The terms of the Credit Agreement and the burden of the indebtedness incurred thereunder could have negative consequences for us, such as:

- limiting our ability to obtain additional financing to fund our working capital, capital expenditures, debt service requirements, expansion strategy, or other needs;
- increasing the Company's vulnerability to, and reducing its flexibility in planning for, adverse changes in economic, industry and competitive conditions; and
- increasing the Company's vulnerability to increases in interest rates.

The Credit Agreement also contains negative covenants that limit our ability to engage in specified types of transactions. These covenants limit our ability to, among other things, sell, lease or transfer any properties or assets, with certain exceptions; and enter into certain merger, consolidation or other reorganization transactions, with certain exceptions.

A breach of any of these covenants could result in an event of default under our credit facility. Upon the occurrence of an event of default, the lender could elect to declare all amounts outstanding under such facility to be immediately due and payable and terminate all commitments to extend further credit. In addition, the Company would be subject to additional restrictions if an event of default exists under the Credit Agreement, such as a prohibition on the payment of cash dividends.

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The Company's business is subject to governmental laws and regulations.

The Company's operations are subject to regulation by various US federal, state and international agencies. Laws and regulations enacted and enforced by these agencies impact all aspects of the Company's operations including design, development, manufacturing, labeling, selling and the importing and exporting of products across international borders. Any changes to laws and regulations governing such activities could have an effect on the Company's operations and ability to obtain regulatory clearance or approval of the Company's products. If the Company fails to comply with any of these regulations, it may become subject to fines, penalties or actions that could impact development, manufacturing and distribution and/or increase costs or reduce sales. The approval process applicable to clinical control products of the type that may be developed by the Company may take a year or more. Delays in obtaining approvals could adversely affect the marketing of new products developed by the Company, and negatively affect the Company's revenues.

As a multinational corporation, the Company is subject to the tax laws and regulations of U.S. federal, state and local governments and of several international jurisdictions. From time to time, new tax legislation may be implemented which could adversely affect current or future tax filings or negatively impact the Company's effective tax rate and thus increase future tax payments.

The Company relies heavily on internal manufacturing and related operations to produce, package and distribute its products.

The Company manufactures the majority of the products it sells at its Minneapolis, Minnesota facility. Quality control, packaging and distribution operations support all of the Company's sales. Since the Company creates value for its customers through the development of high-quality products, any significant decline in quality or disruption of operations for any reason, particularly at the Minneapolis facility, could adversely affect sales and customer relationships, and therefore adversely affect the business. While the Company has taken certain steps to manage these operational risks, and while insurance coverage may reimburse, in whole or in part, for losses related to such disruptions, the Company's future sales growth and earnings may be adversely affected by perceived disruption risks or actual disruptions.

The design and manufacture of products involves certain inherent risks. Manufacturing or design defects could lead to recalls, litigation or alerts relating to the Company's products. A recall could result in significant costs and damage to the Company's reputation which could reduce demand, particularly for certain of its regulated products.

Disruptions in the supply and cost of raw materials could reduce the Company's earnings, cash flow, and ability to meet customers' needs.

The Company's products are made from a wide variety of raw materials that are generally available from alternate sources of supply. However, some of the Company's products are available only from a single supplier. If such suppliers were to limit or terminate production or otherwise fail to supply these materials for any reason, such failures could have a material adverse impact on the Company's product sales and business. In addition, price increases for raw materials could adversely affect the Company's earnings and cash flow.

Increased exposure to product liability claims could adversely affect the Company's earnings.

Product liability is a major risk in testing and marketing biotechnology and pharmaceutical products offered by the Company's customers. Currently these risks are primarily borne by the Company's customers. As the Company's products and services are further integrated into customers' production processes, the Company may become increasingly exposed to product liability and other claims in the event that the use of its products or services is alleged to have resulted in adverse effects. There can be no assurance that a future product liability claim or series of claims brought against the Company would not have an adverse effect on the Company's business or the results of operations. The Company's business may be materially and adversely affected by a successful product liability claim or claims in excess of any insurance coverage that it may have. In addition, product liability claims, regardless of their merits, could be costly, divert management's attention, and adversely affect the Company's reputation and demand for its products.

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Any such product liability claims brought against the Company could be significant and any adverse determination may result in liabilities in excess of the Company's insurance coverage. Although the Company carries product liability insurance, it cannot be certain that current insurance will be sufficient to cover these claims or that it can be maintained on acceptable terms, if at all.

Cyber security risks and the failure to maintain the confidentiality, integrity, and availability of the Company's computer hardware, software, and Internet applications and related tools and functions could result in damage to the Company's reputation and/or subject the Company to costs, fines, or lawsuits.

The integrity and protection of the Company's own data, and that of its customers and employees, is critical to the Company's business. The regulatory environment governing information, security and privacy laws is increasingly demanding and continues to evolve. Maintaining compliance with applicable security and privacy regulations may increase the Company's operating costs and/or adversely impact the Company's ability to market its products and services to customers. Although the Company's computer and communications hardware is protected through physical and software safeguards, it is still vulnerable to fire, storm, flood, power loss, earthquakes, telecommunications failures, physical or software break-ins, software viruses, and similar events. These events could lead to the unauthorized access, disclosure and use of non-public information. The techniques used by criminal elements to attack computer systems are sophisticated, change frequently and may originate from less regulated and remote areas of the world. As a result, the Company may not be able to address these techniques proactively or implement adequate preventative measures. If the Company's computer systems are compromised, it could be subject to fines, damages, litigation, and enforcement actions, customers could curtail or cease using its applications, and the Company could lose trade secrets, the occurrence of which could harm its business.

ITEM 1B. UNRESOLVED STAFF COMMENTS

There are no unresolved staff comments as of the date of this report.

ITEM 2. PROPERTIES

The Company owns the facilities that its headquarters and R&D Systems subsidiary occupy in Minneapolis, Minnesota. The Minneapolis facilities are utilized by both the Company's Clinical Controls and Biotechnology segments.

The Minneapolis complex includes approximately 800,000 square feet of space in several adjoining buildings. Bio-Techne uses approximately 625,000 square feet of the complex for administrative, research, manufacturing, shipping and warehousing activities. The Company is currently leasing or plans to lease the remaining space in the complex as retail and office space.

The Company owns approximately 649 acres of farmland, including buildings, in southeast Minnesota. A portion of the land and buildings are leased to third parties as cropland and for a dairy operation. The remaining property is used by the Company to house animals for polyclonal antibody production for its Biotechnology segment.

Rental income from the above properties was \$1.0 million, \$0.8 million and \$0.7 million in fiscal 2014, 2013 and 2012, respectively.

The Company owns the 17,000 square foot facility that its R&D Europe subsidiary occupies in Abingdon, England. This facility is utilized by the Company's Biotechnology segment.

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The Company leases the following facilities, all of which are utilized by the Company's Biotechnology segment with the exception of the location used by the Company's Bionostics subsidiary (Clinical Control segment):

<i>Subsidiary</i>	<i>Location</i>	<i>Type</i>	<i>Square Feet</i>
R&D Europe	Langely, U.K.	Warehouse	14,300
R&D GmbH	Wiesbaden-Nordenstadt, Germany	Office space	4,200
BiosPacific	Emeryville, California	Office space	3,000
R&D China	Shanghai and Beijing, China	Office/warehouse	8,200
R&D Hong Kong	Hong Kong	Office space	1,200
Boston Biochem	Cambridge, Massachusetts	Office/lab	7,400
Tocris	Bristol, United Kingdom	Office/manufacturing/lab/warehouse	11,000
PrimeGene	Shanghai, China	Office/manufacturing/lab	13,700
Bionostics	Devens, Massachusetts	Office/manufacturing	48,000

The Company is currently pursuing new lease space for its Tocris operations. The Company believes the owned and leased properties, other than the Tocris facility, are adequate to meet its occupancy needs in the foreseeable future.

ITEM 3. LEGAL PROCEEDINGS

As of August 22, 2014, the Company is not a party to any legal proceedings that, individually or in the aggregate, are reasonably expected to have a material adverse effect on the Company's business, results of operations, financial condition or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Price of Common Stock

The Company's common stock trades on the NASDAQ Global Select Market under the symbol "TECH." The following table sets forth for the periods indicated the high and low sales price per share for the Company's common stock as reported by the NASDAQ Global Select Market.

	<i>Fiscal 2014 Price</i>		<i>Fiscal 2013 Price</i>	
	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>
1st Quarter	\$83.83	\$69.30	\$76.02	\$66.26
2nd Quarter	94.78	77.14	74.17	65.37
3rd Quarter	96.96	82.51	72.20	65.67
4th Quarter	93.06	82.63	70.00	62.55

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Holders of Common Stock and Dividends Paid

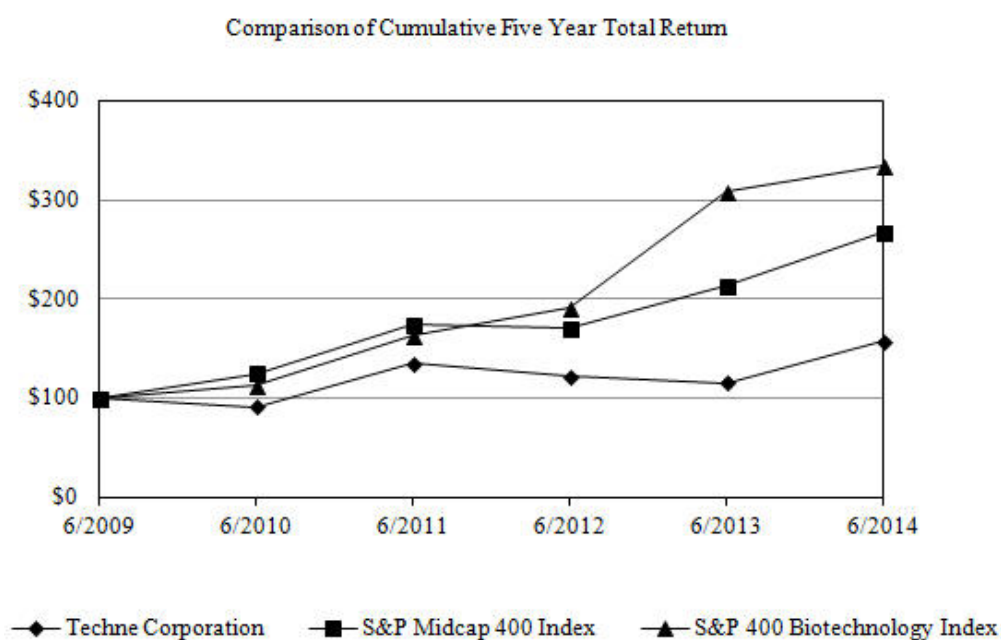
As of August 22, 2014, there were over 31,000 beneficial shareholders of the Company's common stock and over 150 shareholders of record. The Company paid quarterly cash dividends totaling \$45.4 million, \$43.5 million and \$41.0 million in fiscal 2014, 2013 and 2012, respectively. The Board of Directors periodically considers the payment of cash dividends, and there is no guarantee that the Company will pay comparable cash dividends, or any cash dividends, in the future. The Company entered into a revolving line of credit in July 2014, which would prohibit payment of dividends to Company shareholders in the event of a default thereunder. The Credit Agreement that governs the revolving line of credit contains customary events of default.

Issuer Purchases of Equity Securities

There was no share repurchase activity by the Company in fiscal 2014. The maximum approximate dollar value of shares that may yet be purchased under the Company's existing stock repurchase plan is approximately \$125 million. The plan does not have an expiration date.

Stock Performance Graph

The following chart compares the cumulative total shareholder return on the Company's common stock with the S&P Midcap 400 Index and the S&P 400 Biotechnology Index. The comparison assumes \$100 was invested on the last trading day before July 1, 2009 in the Company's common stock and in each of the foregoing indices and assumes reinvestment of dividends.



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ITEM 6. SELECTED FINANCIAL DATA

(dollars in thousands, except per share data)

<i>Income and Share Data:</i>	<i>2014 ⁽¹⁾</i>	<i>2013</i>	<i>2012</i>	<i>2011 ⁽²⁾</i>	<i>2010</i>
Net sales	\$357,763	\$310,575	\$314,560	\$289,962	\$269,047
Operating income	159,750	158,469	166,209	163,055	156,328
Earnings before income taxes ⁽³⁾	161,392	160,662	162,195	164,981	156,446
Net earnings	110,948	112,561	112,331	112,302	109,776
Diluted earnings per share	3.00	3.05	3.04	3.02	2.94
Average common and common equivalent shares – diluted (in thousands)	37,005	36,900	37,006	37,172	37,347
<i>Balance Sheet Data as of June 30:</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>	<i>2010</i>
Cash, cash equivalents and short-term available-for-sale investments	\$363,354	\$332,937	\$268,986	\$140,813	\$138,811
Working capital	443,022	377,432	310,757	212,229	184,016
Total assets	862,491	778,098	719,324	617,670	518,816
Total shareholders' equity	795,265	737,541	674,442	586,122	501,792
<i>Cash Flow Data:</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>	<i>2010</i>
Net cash provided by operating activities	\$136,762	\$123,562	\$126,746	\$127,194	\$111,260
Capital expenditures	13,821	22,454	6,017	3,630	4,644
Cash dividends declared per share	1.23	1.18	1.11	1.07	1.03
<i>Employee Data as of June 30:</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>	<i>2010</i>
Full-time employees	967	789	783	763	684

(1) The Company acquired Bionostics Holdings, Ltd on July 22, 2013 and Shanghai PrimeGene Bio-Tech Co. on April 30, 2014.

(2) The Company acquired Boston Biochem, Inc. on April 1, 2011 and Tocris Holdings Limited and subsidiaries on April 28, 2011.

(3) Earnings before income taxes included acquisition related expenses related to amortization of intangibles, costs recognized on sale of acquired inventories and professional fees associated with acquisition activity, as follows: 2014 – \$20.0 million; 2013 – \$10.2 million; 2012 – \$12.7 million; 2011 – \$5.0 million; 2010 – \$1.0 million.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING INFORMATION

This report contains forward-looking statements, which are based on the Company's current assumptions and expectations. The principal forward-looking statements in this report include: the Company's expectations regarding product releases and strategy, acquisition activity, governmental license renewals, capital expenditures, the performance of the Company's investments, future dividend declarations, the construction and lease of certain facilities, the adequacy of owned and leased property for future operations, anticipated financial results and sufficiency of capital resources to meet the Company's foreseeable future cash and working capital requirements.

All such forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, as amended. Although the Company believes there is a reasonable basis for the forward-looking statements, the Company's actual results could be materially different. The most important factors which could cause the Company's actual results to differ from forward-looking statements are set forth in the Company's description of risk factors in Item 1A to this Annual Report on Form 10-K.

Forward-looking statements speak only as of the date they are made, and the Company does not undertake any obligation to update any forward-looking statements.

USE OF ADJUSTED FINANCIAL MEASURES

The adjusted financial measures used in this Annual Report on Form 10-K quantify the impact the following events had on reported net sales, gross margin percentages and net earnings for fiscal 2014 as compared to fiscal 2013 and 2012:

- fluctuations in exchange rates used to convert transactions in foreign currencies (primarily the Euro, British pound sterling and Chinese yuan) to U.S. dollars;
- the acquisition of Bionostics Holdings, Ltd. (Bionostics) on July 22, 2013 and Shanghai PrimeGene Bio-Tech Co. (PrimeGene) on April 30, 2014, including the impact of amortizing intangible assets and the recognition of costs upon the sale of inventory written-up to fair value;
- professional fees and other costs incurred as part of the acquisition of Bionostics and PrimeGene in fiscal 2014, the acquisitions of Novus Biologicals LLC (Novus) and ProteinSimple, which closed in July 2014, and on-going acquisition activity;
- income tax adjustments related to the reinstatement of the U.S. credit for research and development expenditures in fiscal 2013, the expiration of the credit on December 31, 2013, and the reversal of valuation allowances on deferred tax assets in fiscal 2012; and
- impairment losses related to the Company's investments in unconsolidated entities.

These adjusted financial measures are not prepared in accordance with generally accepted accounting principles (GAAP) and may be different from adjusted financial measures used by other companies. Adjusted financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. The Company views these adjusted financial measures to be helpful in assessing the Company's ongoing operating results. In addition, these adjusted financial measures facilitate our internal comparisons to historical operating results and comparisons to competitors' operating results. These adjusted financial measures are included in this Annual Report on Form 10-K because the Company believes they are useful to investors in allowing for greater transparency related to supplemental information used in the Company's financial and operational analysis. Investors are encouraged to review the reconciliations of adjusted financial measures used in this Annual Report on Form 10-K to their most directly comparable GAAP financial measures.

OVERVIEW

Bio-Techne develops, manufactures and sells biotechnology products and clinical diagnostic controls worldwide. With our deep product portfolio and application expertise, Bio-Techne is a leader in providing specialized proteins, including cytokines and growth factors, and related immunoassays, small molecules and other reagents to the research, diagnostics and clinical controls markets.

Bio-Techne operates worldwide and has two reportable business segments, Biotechnology and Clinical Controls, both of which service the life science and diagnostic markets. The Biotechnology reporting segment develops, manufactures and sells biotechnology research and diagnostic products world-wide. The Clinical Controls reporting segment develops and manufactures controls and calibrators for the global clinical market.

OVERALL RESULTS

For fiscal 2014, consolidated net sales increased 15% as compared to fiscal 2013. After adjusting for the impact of the Bionostics and PrimeGene acquisitions in fiscal 2014, as well as foreign currency fluctuations, organic sales for the year increased 3%. The growth was broad-based, with the Company achieving organic growth in both reporting segments and in most regions of the world. Commercial investments made globally in fiscal 2014, especially in China, were the biggest contributing factor impacting organic revenue growth.

Consolidated GAAP net earnings decreased 1% for fiscal 2014 as compared to fiscal 2013. After adjusting for acquisition related costs and certain income tax items in both years, adjusted net earnings increased 6% in fiscal 2014 as compared to fiscal 2013. Adjusted earnings growth was driven by increased sales partially offset by a lower margin mix from the acquired Bionostics business, as well as investments made in commercial operations and administrative infrastructure during fiscal 2014.

For fiscal 2013, consolidated net sales decreased 1% as compared to fiscal 2012. There were no acquisitions made in fiscal 2013 or fiscal 2012 and the impact from foreign currency fluctuation was minimal. The U.S. market in the Biotechnology segment was particularly soft in 2013, with lower National Institute of Health (NIH) funding for our academic customers coupled with industry consolidation in the pharma and biotech markets.

Consolidated GAAP net earnings were flat for fiscal 2013 as compared to fiscal 2012. After adjusting for acquisition related costs and certain income tax and impairment items in both years, adjusted net earnings decreased 3% in fiscal 2013 as compared to fiscal 2012. The lower earnings in fiscal 2013 resulted from lower revenue coupled with a 5% increase in research and development investment and a 4% increase in selling, general and administrative costs primarily related to investments made in global commercial resources, administrative infrastructure, and annual wage, salary and benefits increases.

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RESULTS OF OPERATIONS

Net Sales

Consolidated organic net sales, excluding the impact of net sales contributed by companies acquired during the fiscal year and the effect of the change from the prior year in exchange rates used to convert sales in foreign currencies (primarily British pound sterling, euros and Chinese yuan) into U.S. dollars, were as follows (in thousands):

	Year Ended June 30,	
	2014	2013
Consolidated net sales	\$357,763	\$310,575
Organic sales adjustments:		
Acquisitions	(33,879)	0
Impact of foreign currency fluctuations	(3,500)	0
Consolidated organic net sales	\$320,384	\$310,575
Organic sales growth	3%	

	Year Ended June 30,	
	2013	2012
Consolidated net sales	\$310,575	\$314,560
Organic sales adjustments:		
Impact of foreign currency fluctuations	2,637	0
Consolidated organic net sales	\$313,212	\$314,560
Organic sales growth (decline)	(0.4%)	

Net sales by reportable segment were as follows (in thousands):

	Year Ended June 30,		
	2014	2013	2012
Biotechnology	\$300,578	\$288,156	\$293,274
Clinical Controls	57,185	22,419	21,286
	<u>\$357,763</u>	<u>\$310,575</u>	<u>\$314,560</u>

In fiscal 2014, Biotechnology segment net sales increased 4% from the prior fiscal year. Included in fiscal 2014 Biotechnology segment net sales was \$0.7 million from the acquisition of PrimeGene in April 2014 and the positive impact of foreign currency fluctuations of \$3.5 million. Excluding these amounts, organic net sales for the segment increased 3% in fiscal 2014, driven by the commercial investments made in China, solid execution from our Pacific Rim distributors, and a robust pharma and biotech market in the U.S. U.S. academic customers still suffered from decreases in NIH funding, but sales to these customers stabilized sequentially throughout fiscal 2014. Included in fiscal 2014 net sales were \$3.4 million of sales of new biotechnology products released during the fiscal year.

In fiscal 2013, Biotechnology segment net sales decreased 2% from the prior fiscal year. Biotechnology segment organic net sales, excluding the negative impact of foreign currency fluctuations of \$2.6 million, decreased 1% in fiscal 2013, primarily as a result of lower NIH funding and pharma consolidation in the U.S. Included in fiscal 2013 net sales were \$2.8 million of sales of new biotechnology products during the fiscal year.

Clinical Controls segment net sales increased \$34.8 million in fiscal 2014. Included in Clinical Controls segment net sales was \$33.1 million from the acquisition of Bionostics in July 2013. Clinical Controls segment organic net sales increased 7% and 5%, respectively, in fiscal 2014 and 2013 from each of the prior fiscal years, primarily as a result of strong end-market demand and operational execution.

Gross Margins

Consolidated gross margins were 70%, 74% and 75% in fiscal 2014, 2013 and 2012, respectively. GAAP reported consolidated gross margins were negatively impacted as a result of purchase accounting related to inventory and intangible assets acquired during fiscal 2014 and prior years. Under purchase accounting, inventory is valued at fair value less expected selling and marketing costs, resulting in reduced margins in future periods as the inventory is sold. Excluding the impact of acquired inventory sold and amortization of intangibles, adjusted gross margins were 74%, 77% and 78% in fiscal 2014, 2013 and 2012, respectively.

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A reconciliation of the reported consolidated gross margin percentages, adjusted for acquired inventory sold and intangible amortization included in cost of sales, is as follows:

	Year Ended June 30,		
	2014	2013	2012
Consolidated gross margin percentage	70.3%	74.4%	75.0%
Identified adjustments:			
Costs recognized upon sale of acquired inventory	2.1%	1.4%	2.4%
Amortization of intangibles	1.1%	1.0%	1.0%
Adjusted gross margin percentage	73.5%	76.8%	78.4%

Fluctuations in adjusted gross margins, as a percentage of net sales, have primarily resulted from changes in foreign currency exchange rates and changes in product mix. In fiscal 2014, the biggest impact to gross margin, as compared to fiscal 2013, was the change in product mix associated with the acquisition of Bionostics. We expect that, in the future, gross margins will continue to be impacted by future acquisitions as well as by the introduction and growth of lower-priced brands that will differentiate from our current premium brands, and allow the Company to better compete in more price-sensitive markets.

Segment gross margins, as a percentage of net sales, were as follows:

	Year Ended June 30,		
	2014	2013	2012
Biotechnology	76.3%	76.4%	76.9%
Clinical Controls	38.5%	49.0%	48.6%
Consolidated	70.3%	74.4%	75.0%

The Clinical Controls segment gross margin percentage for fiscal 2014 was negatively impacted by purchase accounting and intangible asset amortization related to the acquisition of Bionostics in July 2013, as discussed above.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased \$17.3 million (40%) and \$1.7 million (4%) in fiscal 2014 and 2013, respectively. The increase in fiscal 2014 was mainly the result of the acquisitions of Bionostics and PrimeGene, including \$4.2 million of selling, general and administrative expenses by the acquired companies and an increase of \$4.0 million of intangible amortization. Selling, general and administrative expenses in fiscal 2014 also included \$2.2 million of acquisition related professional fees compared to \$0.6 million in fiscal 2013. The remaining increase in selling, general and administrative expenses in fiscal 2014 and in fiscal 2013 included investments made in global commercial resources, administrative infrastructure, and annual wage, salary and benefits increases.

Consolidated selling, general and administrative expenses were composed of the following (in thousands):

	Year Ended June 30,		
	2014	2013	2012
Biotechnology	\$42,863	\$37,421	\$36,453
Clinical Controls	9,765	1,561	1,697
Unallocated corporate expenses	8,088	4,402	3,533
	<u>\$60,716</u>	<u>\$43,384</u>	<u>\$41,683</u>

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Research and Development Expenses

Research and development expenses increased \$1.7 million (6%) and \$1.3 million (5%) in fiscal 2014 and 2013, respectively, as compared to prior-year periods. Included in research and development expense in fiscal 2014 was \$0.9 million of expenses by the companies acquired during fiscal 2014. The remaining increases for fiscal 2014 and 2013 were primarily the result of the development of new proteins, antibodies and assay kits within the Biotechnology segment. The Company introduced approximately 1,600 and 2,100 new biotechnology products in fiscal 2014 and 2013, respectively. Research and development expenses are composed of the following (in thousands):

	Year Ended June 30,		
	2014	2013	2012
Biotechnology	\$29,189	\$28,441	\$27,112
Clinical Controls	1,756	816	800
	<u>\$30,945</u>	<u>\$29,257</u>	<u>\$27,912</u>

Interest Income

Interest income for fiscal 2014, 2013 and 2012 was \$2.7 million, \$2.6 million and \$2.6 million, respectively. Interest income in fiscal 2014 remained flat from fiscal 2013 as a result of lower cash balances during the fiscal year as a result of the acquisition of Bionostics in the first quarter of fiscal 2014. Interest income in fiscal 2013 remained flat from fiscal 2012 as a result of increased cash balances offset by lower interest rates.

As discussed further in “Liquidity and Capital Resources” below, with the opening of a debt facility in July 2014 to partially fund the acquisition of ProteinSimple, the Company expects to incur net interest expense as opposed to net interest income in fiscal 2015.

Other Non-operating Expense, Net

Other non-operating expense, net, consists of foreign currency transaction gains and losses, rental income, building expenses related to rental property and the Company’s share of gains and losses from equity method investees as follows (in thousands):

	Year Ended June 30,		
	2014	2013	2012
Foreign currency (losses) gains	\$ (128)	\$ 339	\$(1,362)
Rental income	1,026	830	693
Real estate taxes, depreciation and utilities	(1,940)	(2,192)	(2,127)
Net gain (loss) from equity method investees	0	570	(603)
	<u>\$(1,042)</u>	<u>\$ (453)</u>	<u>\$(3,399)</u>

Income Taxes

Income taxes for fiscal 2014, 2013 and 2012 were provided at rates of 31.3%, 29.9% and 30.7%, respectively, of consolidated earnings before income taxes. In January 2013, the U.S. federal credit for research and development was reinstated for the period of January 2012 through December 2013. As a result, fiscal 2014 included a credit of \$0.5 million for the period of July 2013 through December 2013, while fiscal 2013 included a credit of \$1.4 million for the period of January 2012 to June 2013.

Included in income taxes in fiscal 2012 was a \$3.0 million benefit due to the reversal of a deferred tax valuation allowance on the excess tax basis in the Company’s investments in unconsolidated entities. The Company determined such valuation allowance was no longer necessary and included the benefit in fiscal 2012 income taxes. In addition, the fiscal 2012 consolidated tax rate was negatively impacted by the expiration of the U.S. research and development credit on December 31, 2011.

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U.S. federal taxes have been reduced by the manufacturer's deduction provided for under the American Jobs Creation Act of 2004 and the U.S. federal credit for research and development. Foreign income taxes have been provided at rates which approximate the tax rates in the countries in which the Company has operations.

Net Earnings

Adjusted consolidated net earnings are as follows (in thousands):

	Year Ended June 30,		
	2014	2013	2012
Net earnings	\$110,948	\$112,561	\$112,331
Identified adjustments:			
Costs recognized upon sale of acquired inventory	7,479	4,501	7,573
Amortization of intangibles	10,267	5,061	5,094
Professional and other acquisition related costs	2,247	607	0
Impairment loss on investments	0	0	3,254
Tax impact of above adjustments	(5,305)	(2,596)	(4,668)
Tax impact of research and development credit	(476)	(1,392)	(465)
Tax impact of foreign source income	165	(710)	1,058
Tax benefit from reversal of valuation allowance	0	0	(3,016)
Adjusted net earnings	\$125,325	\$118,032	\$121,161
Adjusted net earnings growth (decline)	6%	(3%)	4%

LIQUIDITY AND CAPITAL RESOURCES

Cash, cash equivalents and available-for-sale investments at June 30, 2014 were \$367 million compared to \$465 million at June 30, 2013. Included in available-for-sale investments at June 30, 2014 and 2013 was the fair value of the Company's investment in CCXI of \$37.1 million and \$89.6 million, respectively.

At June 30, 2014, approximately 76%, 21%, and 3% of the Company's cash and equivalent account balances of \$319 million were located in the U.S., U.K. and China, respectively. At June 30, 2014, approximately 84% of the Company's available-for-sale investment accounts are located in the U.S., with the remaining 16% in China.

The Company has either paid U.S. taxes on its undistributed foreign earnings or intends to indefinitely reinvest the undistributed earnings in the foreign operations. Management of the Company expects to be able to meet its cash and working capital requirements for operations, facility expansion, capital additions, and cash dividends for the foreseeable future, and at least the next 12 months, through currently available funds and cash generated from operations.

Subsequent to June 30, 2014, the Company acquired Novus for approximately \$60.0 million and ProteinSimple for approximately \$300 million. The Novus acquisition was financed through cash on hand. The purchase of ProteinSimple was financed through cash on hand and a \$150 million revolving line of credit facility that was opened in July 2014, of which \$125 million was initially drawn to fund the acquisition. This senior unsecured revolving credit facility has a term of five years with an adjustable interest rate equal to the greater of (i) the prime commercial rate, (ii) the per annum federal funds rate plus 0.5%, or (iii) LIBOR + 1.00% – 1.75% depending on the existing total leverage ratio of Debt to EBITDA (as defined in the Credit Agreement governing the revolving credit facility). The financial covenants of the revolving credit facility require the Company to maintain a minimum Interest Coverage Ratio, defined as the ratio of EBIT to cash interest expense, of 4.0x and a maximum total leverage ratio of 3.5x. The annualized fee for any unused portion of the credit facility is 15 basis points.

Future acquisition strategies may or may not require additional borrowings under the line of credit facility or other outside sources of funding.

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Cash Flows From Operating Activities

The Company generated cash from operations of \$137 million, \$124 million and \$127 million in fiscal 2014, 2013 and 2012, respectively. The increase in cash generated from operating activities in fiscal 2014 as compared to fiscal 2013 was mainly the result of increase in net earnings after adjustment for non-cash expenses related to depreciation, amortization, costs recognized on sale of acquired inventory, and stock option expense. Operating cash flow also benefitted from the timing of certain trade receivable cash receipts, trade payable cash disbursements, and income tax payments. The decrease in cash generated from operating activities in fiscal 2013 as compared to fiscal 2012 was mainly the result of decrease in net earnings and changes in working capital.

Cash Flows From Investing Activities

On July 22, 2013, the Company acquired for cash all of the outstanding shares of Bionostics for a net purchase price of approximately \$103 million. The acquisition was financed through cash and cash equivalents on hand. On April 30, 2014, the Company acquired all of the ownership interest of PrimeGene for a net purchase price of approximately \$18.8 million. The Company paid approximately \$6.0 million at closing, with the remaining purchase price payable over fiscal years 2015 to 2017. The acquisition cash payment was financed through cash and cash equivalents on hand and sale of certain short-term available-for-sale investments.

On April 1, 2014, the Company entered into an Agreement of Investment and Merger (the Agreement) with CyVek. Pursuant to the terms of the Agreement, the Company invested \$10.0 million in CyVek and received shares of common stock representing approximately 19.9% of the outstanding voting stock of CyVek. The investment was financed through cash and cash equivalents on hand.

If, within twelve months of the date of the Agreement, CyVek meets commercial milestones related to the sale of its products and certain other conditions, the Company will acquire CyVek through a merger, with CyVek surviving as a wholly-owned subsidiary of the Company. If the merger is consummated, the Company will make an initial payment of \$60.0 million to the other stockholders of CyVek. The purchase price payable at the closing of the merger may be adjusted based on the final levels of cash, indebtedness and transaction expenses of CyVek as of the closing. The Company will also pay CyVek's other stockholders up to \$35.0 million based on the revenue generated by CyVek's products and related products before the date that is 30 months from the closing of the Merger. The Company will also pay CyVek's other stockholders 50% of the amount, if any, by which the revenue from CyVek's products and related products exceeds \$100 million in calendar year 2020.

The Company's net purchases (sales) of available-for-sale investments in fiscal 2014, 2013 and 2012 were (\$184) million, \$9.1 million and \$15.3 million, respectively. Most of the Company's available-for-sale investments in the U.S. (other than its investment in CCXI) were liquidated by fiscal 2014 year-end to prepare for the July purchase of Novus and ProteinSimple. The Company's investment policy is to place excess cash in municipal and corporate bonds with the objective of obtaining the highest possible return while minimizing risk and keeping the funds accessible. In fiscal 2015, this policy will be more applicable in non-U.S. jurisdictions as the Company intends to use excess cash from U.S. operation primarily to minimize the outstanding balance on the Company's revolving credit facility.

Capital additions consisted of the following (in thousands):

	Year Ended June 30,		
	2014	2013	2012
Laboratory, manufacturing, and computer equipment	\$ 6,626	\$ 2,882	\$2,521
Construction/renovation	7,195	19,572	3,496
	<u>\$13,821</u>	<u>\$22,454</u>	<u>\$6,017</u>

Construction/renovation for fiscal 2014 and 2013 included \$6.5 million and \$18.0 million, respectively, related to the renovation of a building on the Company's Minneapolis campus which was completed in fiscal 2014. Capital additions planned for fiscal 2015 are approximately \$16.2 million and are expected to be financed through currently available cash and cash generated from operations. Included in the planned fiscal 2015 capital expenditures are approximately \$5.0 million for leasehold improvements and equipment needed for the relocation and expansion of the Company's Tocris facilities in the U.K. Another \$5.0 million is expected to be funded in fiscal year 2016 to complete the project.

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Cash Flows From Financing Activities

In fiscal 2014, 2013 and 2012, the Company paid cash dividends of \$45.4 million, \$43.5 million and \$41.0 million, respectively. The Board of Directors periodically considers the payment of cash dividends.

The Company received \$8.3 million, \$1.1 million and \$0.8 million for the exercise of options for 141,000, 22,000 and 17,000 shares of common stock in fiscal 2014, 2013 and 2012, respectively. The Company recognized excess tax benefits from stock option exercises of \$0.3 million, \$0.1 million and \$0.1 million in fiscal 2014, 2013 and 2012, respectively.

In fiscal 2013 and 2012, the Company purchased 8,324 and 13,140 shares of common stock, respectively, for its employee stock bonus plans at a cost of \$0.6 million and \$0.9 million, respectively.

In April 2009, the Board of Directors authorized a plan for the repurchase and retirement of \$60 million of its common stock. In October 2012, the Board of Directors increased the amount authorized under the plan by \$100 million. The plan does not have an expiration date. In fiscal 2013 and 2012, the Company purchased and retired 28,000 and 344,000 shares of common stock, respectively, at market values of \$1.8 million and \$23.6 million. There were no stock repurchases in fiscal 2014. At June 30, 2014, approximately \$125 million remained available for purchase under the above authorizations.

CONTRACTUAL OBLIGATIONS

The following table summarizes the Company's contractual obligations and commercial commitments as of June 30, 2014 (in thousands):

	<i>Total</i>	<i>Less than 1 Year</i>	<i>Payments Due by Period</i>		
			<i>1-3 Years</i>	<i>3-5 Years</i>	<i>After 5 Years</i>
Operating leases	\$ 14,696	\$ 1,785	\$3,133	\$ 2,052	\$7,726
Minimum royalty payments	153	153	0	0	0
CyVek acquisition ⁽¹⁾	95,000	60,000	0	35,000	0
	<u>\$109,489</u>	<u>\$61,938</u>	<u>\$3,133</u>	<u>\$37,052</u>	<u>\$7,726</u>

- (1) Amounts represent the maximum potential contingent liability under the CyVek Merger Agreement. In addition, the Company will pay CyVek's other stockholders up to 50% of the amount, if any, by which revenues of CyVek's products and related products exceeds \$100 million in calendar year 2020.

OFF-BALANCE SHEET ARRANGEMENTS

The Company is not a party to any off-balance sheet transactions, arrangements or obligations that have, or are reasonably likely to have, a current or future material effect on the Company's financial condition, changes in the financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

CRITICAL ACCOUNTING POLICIES

Management's discussion and analysis of the Company's financial condition and results of operations are based upon the Company's Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management evaluates its estimates. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

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The Company has identified the policies outlined below as critical to its business operations and an understanding of results of operations. The listing is not intended to be a comprehensive list of all accounting policies; investors should also refer to Note A to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K .

Valuation of Available-For-Sale Investments

The Company considers all of its marketable securities available-for-sale and reports them at fair market value. Fair market values are based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. Unrealized gains and losses on available-for-sale investments are excluded from income, but are included, net of taxes, in other comprehensive income. If an “other-than-temporary” impairment is determined to exist, the difference between the value of the investment recorded in the financial statements and the Company’s current estimate of fair value is recognized as a charge to earnings in the period in which the impairment is determined. Net unrealized gains on available-for-sale investments at June 30, 2014 were \$7.6 million.

Valuation of Inventory

Inventories are stated at the lower of cost (first-in, first-out method) or market. The Company regularly reviews inventory on hand for slow-moving and obsolete inventory, inventory not meeting quality control standards and inventory subject to expiration.

To meet strict customer quality standards, the Company has established a highly controlled manufacturing process for proteins, antibodies and its chemically-based products. These products require the initial manufacture of multiple batches to determine if quality standards can be consistently met. In addition, the Company will produce larger batches of established products than current sales requirements due to economies of scale. The manufacturing process for these products, therefore, has and will continue to produce quantities in excess of forecasted usage. The Company values its manufactured protein and antibody inventory based on a two-year forecast and its chemically-based products on a five-year forecast. The establishment of a two-year or five-year forecast requires considerable judgment. Inventory quantities in excess of the forecast are not valued due to uncertainty over salability. The value of protein, antibody and chemically-based product inventory not valued at June 30, 2014 was \$30.3 million.

The fair value of inventory purchased through acquisitions were determined based on quantities acquired, selling prices at the date of acquisition and management’s assumptions regarding inventory having future value and the costs to sell such inventories. Inventory purchased in fiscal 2014 through the acquisition of Bionostics was increased \$1.7 million to \$5.7 million. Substantially all of Bionostics acquired inventory was sold as of June 30, 2014. Inventory purchased in fiscal 2014 through the acquisition of PrimeGene was increased \$0.8 million to \$1.0 million. The increase in value of the PrimeGene inventory remaining at June 30, 2014 was \$0.6 million.

The value of inventory purchased in fiscal 2011 through acquisitions was increased \$25.7 million for a total acquired inventory value of \$33.0 million. In addition, the Company acquired inventory that was not valued as part of the purchase price allocation as it was in excess of forecasted usage. The increase in value of the fiscal 2011 acquired inventory remaining at June 30, 2014 was \$7.6 million.

Valuation of Intangible Assets and Goodwill

When a business is acquired, the purchase price is allocated, as applicable, between tangible assets, identifiable intangible assets and goodwill. Determining the portion of the purchase price allocated to intangible assets requires significant estimates. The fair value of intangible assets acquired, including developed technologies, trade names, customer relationships and non-compete agreements, were based on management’s forecasted cash inflows and outflows using a relief-from-royalty and multi-period excess earnings method with consideration to other factors including an independent valuation of management’s assumptions. Intangible assets are being amortized over their estimated useful lives, ranging from 3 to 15 years. The Company reviews the carrying amount of intangible assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Intangible assets, net of accumulated amortization, were \$109 million at June 30, 2014.

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Goodwill recognized in connection with a business acquisition represents the excess of the aggregate purchase price over the fair value of net assets acquired. Goodwill is tested for impairment annually or more frequently if changes in circumstance or the occurrence of events suggest impairment exists. Assessing the impairment of goodwill requires the Company to make judgments regarding the fair value of the net assets of its reporting units and the allocation of the carrying amount of shared assets to the reporting units. The Company's annual assessment included a qualitative assessment of whether it is more-likely-than-not that a reporting unit's fair value is less than its carrying value. A significant change in the Company's market capitalization or in the carrying amount of net assets of a reporting unit could result in an impairment charge in future periods. The Company completed its annual impairment testing of goodwill and concluded that no impairment existed as of June 30, 2014, as the fair values of the Company's reporting units exceeded their carrying values. Goodwill at June 30, 2014 was \$151 million.

Valuation of Investments

The Company has made equity investments in several start-up and early development stage companies, including CyVek in fiscal 2014. The accounting treatment of each investment (cost method or equity method) is dependent upon a number of factors, including, but not limited to, the Company's share in the equity of the investee and the Company's ability to exercise significant influence over the operating and financial policies of the investee. In determining which accounting treatment to apply, the Company must make judgments based upon the quantitative and qualitative aspects of the investment.

The Company periodically assesses its equity investments for impairment. Development stage companies of the type the Company has invested in are dependent on their ability to raise additional funds to continue research and development efforts and on receiving patent protection and/or FDA clearance to market their products. If such funding were unavailable or inadequate to fund operations or if patent protection or FDA clearance were not received, the Company would potentially recognize an impairment loss to the extent of its remaining net investment.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At the end of fiscal 2014, the Company had a portfolio of fixed income debt securities, excluding those classified as cash and cash equivalents, of \$11.3 million (see Note C to the Consolidated Financial Statements included in Item 8 of this Annual Report on Form 10-K). These securities, like all fixed income instruments, are subject to interest rate risk and will decline in value if market interest rates increase. The Company's investment policy requires all investment in short-term and long-term securities to have at least debt ratings of A1 or A3 (or the equivalent), respectively. As the Company's fixed income securities are classified as available-for-sale, unrealized gains or losses are recognized by the Company in "Other comprehensive income (loss)" on the Consolidated Statement of Earnings and Comprehensive Income. The Company generally holds its fixed income securities until maturity and, historically, has not recorded any material gains or losses on any sale prior to maturity. In late fiscal 2014, the Company liquidated the majority of its fixed income debt securities in anticipation of acquisitions made in July 2014. Gains and losses recorded on the liquidation were not material.

The Company operates internationally, and thus is subject to potentially adverse movements in foreign currency exchange rates. Approximately 30% of consolidated net sales are made in foreign currencies, including 14% in euro, 6% in British pound sterling, 5% in Chinese yuan and the remaining 5% in other European currencies. As a result, the Company is exposed to market risk mainly from foreign exchange rate fluctuations of the euro, British pound sterling, and the Chinese yuan as compared to the U.S. dollar as the financial position and operating results of the Company's foreign operations are translated into U.S. dollars for consolidation.

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Month-end exchange rates between the British pound sterling, euro and Chinese yuan and the U.S. dollar, which have not been weighted for actual sales volume in the applicable months in the periods, were as follows:

	<i>Year Ended June 30,</i>		
	<i>2014</i>	<i>2013</i>	<i>2012</i>
British pound:			
High	\$1.71	\$1.62	\$1.64
Low	1.52	1.52	1.54
Average	1.64	1.57	1.59
Euro:			
High	\$1.39	\$1.36	\$1.44
Low	1.32	1.23	1.24
Average	1.36	1.30	1.34
Chinese yuan:			
High	\$.165	\$.163	\$.159
Low	.160	.157	.155
Average	.163	.160	.158

The Company's exposure to foreign exchange rate fluctuations also arises from trade receivables and intercompany payables denominated in one currency in the financial statements, but receivable or payable in another currency. At June 30, 2014, the Company had the following trade receivable and intercompany payables denominated in one currency but receivable or payable in another currency (in thousands):

	<i>Denominated Currency</i>	<i>U. S. Dollar Equivalent</i>
Accounts receivable in:		
Euros	£ 1,296	\$ 2,217
Other European currencies	£ 1,135	\$ 1,942
Intercompany payable in:		
Euros	£ 451	\$ 771
U.S. dollars	£ 2,956	\$ 5,057
U.S. dollars	yuan 20,332	\$ 3,305

All of the above balances are revolving in nature and are not deemed to be long-term balances.

The Company does not enter into foreign currency forward contracts to reduce its exposure to foreign currency rate changes on forecasted intercompany sales transactions or on intercompany foreign currency denominated balance sheet positions. Foreign currency transaction gains and losses are included in "Other non-operating expense, net" in the Consolidated Statement of Earnings and Comprehensive Income. The effect of translating net assets of foreign subsidiaries into U.S. dollars are recorded on the Consolidated Balance Sheet as part of "Accumulated other comprehensive income (loss)."

The effects of a hypothetical simultaneous 10% appreciation in the U.S. dollar from June 30, 2014 levels against the euro, British pound sterling and Chinese yuan are as follows (in thousands):

Decrease in translation of 2014 earnings into U.S. dollars	\$ 2,577
Decrease in translation of net assets of foreign subsidiaries	17,849
Additional transaction losses	836

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME

Techne Corporation and Subsidiaries
(in thousands, except per share data)

	Year Ended June 30,		
	2014	2013	2012
Net sales	\$357,763	\$310,575	\$314,560
Cost of sales	106,352	79,465	78,756
Gross margin	<u>251,411</u>	<u>231,110</u>	<u>235,804</u>
Operating expenses:			
Selling, general and administrative	60,716	43,384	41,683
Research and development	30,945	29,257	27,912
Total operating expenses	<u>91,661</u>	<u>72,641</u>	<u>69,595</u>
Operating income	<u>159,750</u>	<u>158,469</u>	<u>166,209</u>
Other income (expense):			
Interest income	2,684	2,646	2,639
Impairment losses on investments	0	0	(3,254)
Other non-operating expense, net	(1,042)	(453)	(3,399)
Total other income (expense)	<u>1,642</u>	<u>2,193</u>	<u>(4,014)</u>
Earnings before income taxes	161,392	160,662	162,195
Income taxes	<u>50,444</u>	<u>48,101</u>	<u>49,864</u>
Net earnings	<u>110,948</u>	<u>112,561</u>	<u>112,331</u>
Other comprehensive income (loss):			
Foreign currency translation adjustments	15,819	(3,538)	(3,804)
Unrealized (losses) gains on available-for-sale investments, net of tax of (\$17,110), (\$2,129) and \$23,422, respectively	<u>(35,760)</u>	<u>(3,684)</u>	<u>41,870</u>
Other comprehensive (loss) income	<u>(19,941)</u>	<u>(7,222)</u>	<u>38,066</u>
Comprehensive income	<u>\$ 91,007</u>	<u>\$105,339</u>	<u>\$150,397</u>
Earnings per share:			
Basic	\$ 3.01	\$ 3.06	\$ 3.04
Diluted	\$ 3.00	\$ 3.05	\$ 3.04
Cash dividends per common share:	\$ 1.23	\$ 1.18	\$ 1.11
Weighted average common shares outstanding:			
Basic	36,890	36,836	36,939
Diluted	37,005	36,900	37,006

See Notes to Consolidated Financial Statements.

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CONSOLIDATED BALANCE SHEETS
Techne Corporation and Subsidiaries
(in thousands, except share and per share data)

	June 30,	
	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$318,568	\$163,786
Short-term available-for-sale investments	44,786	169,151
Trade accounts receivable, less allowance for doubtful accounts of \$487 and \$428, respectively	47,874	38,183
Other receivables	7,127	1,992
Deferred income taxes	9,623	0
Inventories	38,847	34,877
Prepaid expenses	2,588	1,527
Total current assets	<u>469,413</u>	<u>409,516</u>
Available-for-sale investments	3,575	132,376
Property and equipment, net	117,120	108,756
Goodwill	151,473	84,336
Intangible assets, net	108,776	40,552
Investments in unconsolidated entities	10,446	531
Other assets	1,688	2,031
	<u>\$862,491</u>	<u>\$778,098</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 9,652	\$ 6,236
Salaries, wages and related accruals	6,158	4,025
Accrued expenses	4,136	9,603
Income taxes payable	496	2,276
Related party note payable, current	5,949	0
Deferred income taxes	0	9,944
Total current liabilities	<u>26,391</u>	<u>32,084</u>
Deferred income taxes	33,838	8,473
Related party note payable, long-term	6,997	0
Commitments and contingencies (Note I)		
Shareholders' equity:		
Undesignated capital stock, no par; authorized 5,000,000 shares; none issued or outstanding	0	0
Common stock, par value \$.01 a share; authorized 100,000,000 shares; issued and outstanding 37,002,203 and 36,834,678 shares, respectively	370	368
Additional paid-in capital	147,004	134,895
Retained earnings	653,279	587,725
Accumulated other comprehensive (loss) income	(5,388)	14,553
Total shareholders' equity	<u>795,265</u>	<u>737,541</u>
	<u>\$862,491</u>	<u>\$778,098</u>

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Techne Corporation and Subsidiaries
(in thousands)

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Compre- hensive Income(Loss)</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>				
Balances at June 30, 2011	37,153	\$ 371	\$129,312	\$472,730	\$ (16,291)	\$586,122
Net earnings				112,331		112,331
Other comprehensive income					38,066	38,066
Common stock issued for exercise of options	17	0	847			847
Repurchase of common stock	(344)	(3)		(23,595)		(23,598)
Cash dividends				(41,018)		(41,018)
Stock-based compensation expense			1,641			1,641
Tax benefit from exercise of stock options			51			51
Balances at June 30, 2012	36,826	368	131,851	520,448	21,775	674,442
Net earnings				112,561		112,561
Other comprehensive loss					(7,222)	(7,222)
Common stock issued for exercise of options	22	0	1,105			1,105
Common stock issued for restricted stock award	15	0				0
Repurchase of common stock	(28)	(0)		(1,821)		(1,821)
Cash dividends				(43,463)		(43,463)
Stock-based compensation expense			1,864			1,864
Tax benefit from exercise of stock options			75			75
Balances at June 30, 2013	36,835	368	134,895	587,725	14,553	737,541
Net earnings				110,948		110,948
Other comprehensive loss					(19,941)	(19,941)
Surrender and retirement of stock to exercise options	(1)	(0)	(56)			(56)
Common stock issued for exercise of options	142	2	8,380			8,382
Common stock issued for restricted stock awards	26	0				0
Cash dividends				(45,394)		(45,394)
Stock-based compensation expense			3,523			3,523
Tax benefit from exercise of stock options			262			262
Balances at June 30, 2014	37,002	\$ 370	\$147,004	\$653,279	\$ (5,388)	\$795,265

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Techne Corporation and Subsidiaries

(in thousands)

	<i>Year Ended June 30,</i>		
	<i>2014</i>	<i>2013</i>	<i>2012</i>
Cash flows from operating activities:			
Net earnings	\$ 110,948	\$ 112,561	\$ 112,331
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	19,175	12,321	12,467
Costs recognized on sale of acquired inventory	7,480	4,501	7,573
Deferred income taxes	(2,853)	(2,534)	(7,363)
Stock-based compensation expense	3,523	1,864	1,641
Excess tax benefit from stock option exercises	(262)	(75)	(51)
Impairment losses on investments	0	0	3,254
Net (gain) loss from equity method investees	0	(570)	603
Other	592	763	230
Change in operating assets and liabilities, net of acquisitions:			
Trade accounts and other receivables	1,145	(2,334)	(2,096)
Inventories	(2,895)	(2,216)	(1,577)
Prepaid expenses	(554)	(33)	(476)
Trade accounts payable and accrued expenses	1,368	243	1,581
Salaries, wages and related accruals	1,034	(92)	686
Income taxes payable	(1,939)	(837)	(2,057)
Net cash provided by operating activities	<u>136,762</u>	<u>123,562</u>	<u>126,746</u>
Cash flows from investing activities:			
Purchase of available-for-sale investments	(106,746)	(112,712)	(147,011)
Proceeds from sale of available-for-sale investments	229,975	41,507	64,291
Proceeds from maturities of available-for-sale investments	59,435	62,103	67,435
Additions to property and equipment	(13,821)	(22,454)	(6,017)
Acquisitions, net of cash acquired	(109,180)	0	0
Investment in unconsolidated entity	(10,000)	0	0
Other	25	352	(366)
Net cash provided by (used in) investing activities	<u>49,688</u>	<u>(31,204)</u>	<u>(21,668)</u>
Cash flows from financing activities:			
Cash dividends	(45,394)	(43,463)	(41,018)
Proceeds from stock option exercises	8,326	1,105	847
Excess tax benefit from stock option exercises	262	75	51
Purchase of common stock for stock bonus plans	0	(573)	(907)
Repurchase of common stock	0	(1,821)	(23,598)
Net cash used in financing activities	<u>(36,806)</u>	<u>(44,677)</u>	<u>(64,625)</u>
Effect of exchange rate changes on cash and cash equivalents	5,138	(570)	(1,391)
Net change in cash and cash equivalents	154,782	47,111	39,062
Cash and cash equivalents at beginning of year	163,786	116,675	77,613
Cash and cash equivalents at end of year	<u>\$ 318,568</u>	<u>\$ 163,786</u>	<u>\$ 116,675</u>

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Techne Corporation and Subsidiaries

Years ended June 30, 2014, 2013 and 2012

A. Description of Business and Summary of Significant Accounting Policies:

Description of business: Techne Corporation and subsidiaries, collectively doing business as Bio-Techne, (the Company) develop, manufacture and sell biotechnology products and clinical diagnostic controls worldwide. With its deep product portfolio and application expertise, Bio-Techne is a leader in providing specialized proteins, including cytokines and growth factors, and related immunoassays, small molecules and other reagents to the research, diagnostics and clinical controls markets.

Estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates include the valuation of accounts receivable, available-for-sale investments, inventory, intangible assets, stock based compensation and income taxes. Actual results could differ from these estimates.

Principles of consolidation: The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated.

Translation of foreign financial statements: Assets and liabilities of the Company's foreign operations are translated at year-end rates of exchange and the resulting gains and losses arising from the translation of net assets located outside the U.S. are recorded as other comprehensive income (loss) on the consolidated statement of earnings and comprehensive income. The cumulative translation adjustment is a component of accumulated other comprehensive income (loss) on the consolidated balance sheets. Foreign statements of earnings are translated at the average rate of exchange for the year. Foreign currency transaction gains and losses are included in other non-operating expense in the consolidated statements of earnings.

Revenue recognition: The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price is fixed or determinable and collectability is reasonably assured. Payment terms for shipments to end-users are generally net 30 days. Payment terms for distributor shipments may range from 30 to 90 days. Freight charges billed to end-users are included in net sales and freight costs are included in cost of sales. Freight charges on shipments to distributors are paid directly by the distributor. Any claims for credit or return of goods must be made within 10 days of receipt. Revenues are reduced to reflect estimated credits and returns. Sales, use, value-added and other excise taxes are not included in revenue.

Research and development: Research and development expenditures are expensed as incurred. Development activities generally relate to creating new products, improving or creating variations of existing products, or modifying existing products to meet new applications.

Advertising costs: Advertising expenses (including production and communication costs) were \$3.4 million, \$3.2 million and \$3.4 million for fiscal 2014, 2013 and 2012, respectively. The Company expenses advertising expenses as incurred.

Share-based compensation: The cost of employee services received in exchange for the award of equity instruments is based on the fair value of the award at the date of grant. Separate groups of employees that have similar historical exercise behavior with regard to option exercise timing and forfeiture rates are considered separately in determining option fair value. Compensation cost is recognized using a straight-line method over the vesting period and is net of estimated forfeitures. Stock option exercises and stock awards are satisfied through the issuance of new shares.

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Income taxes: The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized to record the income tax effect of temporary differences between the tax basis and financial reporting basis of assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Tax positions taken or expected to be taken in a tax return are recognized in the financial statements when it is more likely than not that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The Company recognizes interest and penalties related to unrecognized tax benefits in income tax expense.

Financial instruments not measured at fair value: Certain of the Company's financial instruments are not measured at fair value but nevertheless are recorded at carrying amounts approximating fair value, based on their short-term nature. These financial instruments include cash and cash equivalents, accounts receivable, accounts payable and other current liabilities.

Cash and equivalents: Cash and cash equivalents include cash on hand and highly-liquid investments with original maturities of three months or less.

Available-for-sale investments: Available-for-sale investments consist of debt instruments with original maturities of generally three months to three years and equity securities. Available-for-sale investments are recorded based on trade-date. The Company considers all of its marketable securities available-for-sale and reports them at fair value. The Company utilizes valuation techniques for determining fair market value which maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

Unrealized gains and losses on available-for-sale securities are excluded from income, but are included, net of taxes, in other comprehensive income. If an "other-than-temporary" impairment is determined to exist, the difference between the value of the investment security recorded in the financial statements and the Company's current estimate of the fair value is recognized as a charge to earnings in the period in which the impairment is determined.

Inventories: Inventories are stated at the lower of cost (first-in, first-out method) or market. The Company regularly reviews inventory on hand for slow-moving and obsolete inventory, inventory not meeting quality control standards and inventory subject to expiration. To meet strict customer quality standards, the Company has established a highly controlled manufacturing process for proteins, antibodies and its chemically-based products. These products require the initial manufacture of multiple batches to determine if quality standards can be consistently met. In addition, the Company will produce larger batches of established products than current sales requirements due to economies of scale. The manufacturing process for these products, therefore, has and will continue to produce quantities in excess of forecasted usage. The Company values its manufactured protein and antibody inventory based on a two-year forecast and its chemically-based products on a five-year forecast. Inventory quantities in excess of the forecast are not valued due to uncertainty over salability. Sales of previously unvalued protein, antibody and chemically-based inventory for fiscal years 2014, 2013 and 2012 were not material.

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Property and equipment: Property and equipment are recorded at cost. Equipment is depreciated using the straight-line method over an estimated useful life of five years. Buildings, building improvements and leasehold improvements are amortized over estimated useful lives of 5 to 40 years. Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In the current year, the Company has identified no such events.

Goodwill: At June 30, 2014 and 2013, the Company had recorded goodwill of \$151.5 million and \$84.3 million, respectively. The Company tests goodwill at least annually for impairment. The Company completed its annual impairment testing of goodwill and concluded that no impairment existed as of June 30, 2014.

Intangible assets: Intangible assets are being amortized over their estimated useful lives. Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In the current year, the Company has identified no such events.

Investments in unconsolidated entities: The Company has equity investments in several start-up and early development stage companies. The accounting treatment of each investment (cost method or equity method) is dependent upon a number of factors, including, but not limited to, the Company's share in the equity of the investee and the Company's ability to exercise significant influence over the operating and financial policies of the investee.

B. Acquisitions:

Bionostics Holdings, Ltd.: On July 22, 2013, the Company acquired for cash all of the outstanding shares of Bionostics Holdings, Ltd. (Bionostics) and its U.S. operating subsidiary, Bionostics, Inc. Bionostics is a global leader in the development, manufacture and distribution of control solutions that verify the proper operation of *in-vitro* diagnostic devices primarily utilized in point of care blood glucose and blood gas testing. Bionostics is included in the Company's Clinical Controls segment.

In connection with the Bionostics acquisition, the Company recorded \$14.4 million of developed technology intangible assets that have an estimated useful life of 9 years, \$2.7 million of trade name intangible assets that have an estimated useful life of 5 years, \$2.4 million related to non-compete agreements that have an estimated useful life of 3 years, and \$41.0 million related to customer relationships that have an estimated useful life of 14 years. The intangible asset amortization is not deductible for income tax purposes.

The goodwill recorded as a result of the Bionostics acquisition represents the strategic benefits of growing the Company's product portfolio and the expected revenue growth from increased market penetration from future products and customers. The goodwill is not deductible for income tax purposes.

Transaction costs of \$0.5 million and \$0.6 million were included in the Company's selling, general and administrative costs during fiscal 2014 and 2013, respectively, related to the Bionostics acquisition.

Shanghai PrimeGene Bio-Tech Co.: On April 30, 2014, the Company acquired all of the ownership interest of Shanghai PrimeGene Bio-Tech Co. (PrimeGene). PrimeGene manufactures recombinant proteins and is included in the Company's Biotechnology segment. The Company paid approximately \$6.0 million at closing, with the remaining purchase price payable over fiscal years 2015 to 2017. The note payable is due to individuals who are currently employed by PrimeGene.

In connection with the PrimeGene acquisition, the Company recorded \$2.2 million of developed technology intangible assets that have an estimated useful life of 9 years, \$3.0 million of trade name intangible assets that have an estimated useful life of 11 years, \$0.3 million related to non-compete agreements that have an estimated useful life of 3 years, and \$9.1 million related to customer relationships that have an estimated useful life of 9 years. The intangible asset amortization is not deductible for income tax purposes.

The goodwill recorded as a result of the PrimeGene acquisition represents the strategic benefits of growing the Company's product portfolio and the expected revenue growth from increased market penetration from future products and customers. The goodwill is not deductible for income tax purposes.

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Transaction costs of \$0.4 million were included in the Company's selling, general and administrative costs during fiscal 2014, related to the PrimeGene acquisition.

The aggregate purchase price of the acquisitions was allocated to the assets acquired and liabilities assumed based on their preliminarily estimated fair values at the date of acquisition. The preliminary estimate of the excess of purchase price over the fair value of net tangible assets acquired was allocated to identifiable intangible assets and goodwill. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as a result of the acquisitions (in thousands):

	<i>Bionostics</i>	<i>PrimeGene</i>
Current assets	\$ 9,605	\$ 1,272
Intangible Assets	60,500	14,622
Goodwill	56,349	5,518
Equipment	2,180	546
Total assets acquired	128,634	21,958
Liabilities	3,007	887
Deferred income taxes	22,478	2,310
Net assets acquired	\$103,149	\$ 18,761
Cash paid, net of cash acquired	\$103,149	\$ 6,031
Note payable	0	12,730
Net purchase price	\$103,149	\$ 18,761

Tangible assets acquired, net of liabilities assumed, were stated at fair value at the date of acquisition based on management's assessment. The purchase price allocated to developed technology, trade names, non-compete agreements and customer relationships was based on management's forecasted cash inflows and outflows and using a relief-from-royalty and a multi-period excess earnings method to calculate the fair value of assets purchased. The developed technology is being amortized with the expense reflected in cost of goods sold in the Consolidated Statement of Earnings and Comprehensive Income. Amortization expense related to trade names, the non-compete agreement and customer relationships is reflected in selling, general and administrative expenses in the Consolidated Statement of Earnings and Comprehensive Income. The deferred income tax liability represents the estimated future impact of adjustments for the cost to be recognized upon the sale of acquired inventory that was written up to fair value and intangible asset amortization, both of which are not deductible for income tax purposes.

The Company's consolidated financial statements for fiscal 2014 include Bionostics and PrimeGene net sales of \$33.1 million and \$0.7 million, respectively and net income of \$2.1 million and net loss of \$0.1 million, respectively. Included in Bionostics and PrimeGene results for fiscal 2014 were amortization of intangibles of \$5.5 million and \$0.3 million, respectively, and costs recognized on the sales of acquired inventory of \$1.5 million and \$0.2 million, respectively.

C. Available-For-Sale Investments:

At June 30, 2014 and 2013, the amortized cost and market value of the Company's available-for-sale securities by major security type were as follows (in thousands):

	<i>2014</i>		<i>June 30, 2013</i>	
	<i>Cost</i>	<i>Market</i>	<i>Cost</i>	<i>Market</i>
State and municipal debt securities	\$ 3,525	\$ 3,525	\$179,463	\$179,764
Corporate debt securities	100	100	12,804	12,817
Foreign corporate debt securities	0	0	4,484	4,490
Certificates of deposit	7,639	7,639	14,809	14,809
Equity securities	29,472	37,097	29,472	89,647
	<u>\$40,736</u>	<u>\$48,361</u>	<u>\$241,032</u>	<u>\$301,527</u>

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At June 30, 2014 and 2013, all of the Company's available-for-sale debt securities were valued using Level 2 inputs, while its equity securities were valued using Level 1 inputs. Certificates of deposit are carried at cost and are not subject to the fair value hierarchy. There were no transfers between Level 1 and Level 2 securities during fiscal 2014. Gross unrealized gains on available-for-sale investments were \$7.6 million at June 30, 2014. Gross unrealized gains and unrealized losses on available-for-sale investments were \$60.7 million and \$0.2 million, respectively, at June 30, 2013.

The Company's investment in equity securities consists of investments in the common stock and warrants of ChemoCentryx, Inc. (CCXI). The warrants are to purchase 150,000 shares of CCXI common stock at \$20 per share and expire in February, 2022. The fair value of the warrants as of June 30, 2014 and 2013 were \$0.6 million and \$1.5 million, respectively, and were valued using Level 2 inputs. At June 30, 2014, the Company holds an approximate 14% interest in CCXI.

Contractual maturities of available-for-sale debt securities are shown below (in thousands). Expected maturities may differ from contractual maturities because borrowers may have the right to recall or prepay obligations with or without call or prepayment penalties.

<u>Year Ending June 30, 2014:</u>	
Due within one year	\$ 7,689
Due one to five years	3,575
	<u>\$11,264</u>

Proceeds from maturities or sales of available-for-sale securities were \$290 million, \$104 million and \$132 million during fiscal 2014, 2013 and 2012, respectively. There were no material realized gains or losses on these sales. Realized gains and losses are determined on the specific identification method.

D. Inventories:

Inventories consist of (in thousands):

	<u>June 30,</u>	
	<u>2014</u>	<u>2013</u>
Raw materials	\$ 9,852	\$ 5,885
Finished goods	28,995	28,992
	<u>\$38,847</u>	<u>\$34,877</u>

At June 30, 2014 and 2013, the Company had \$30.3 million and \$26.0 million, respectively, of excess protein, antibody and chemically-based inventory on hand which was not valued.

E. Property and Equipment:

Property and equipment consist of (in thousands):

	<u>June 30,</u>	
	<u>2014</u>	<u>2013</u>
Cost:		
Land	\$ 7,468	\$ 7,438
Buildings and improvements	149,442	142,656
Machinery and equipment	53,067	39,706
	209,977	189,800
Accumulated depreciation and amortization	(92,857)	(81,044)
	<u>\$117,120</u>	<u>\$108,756</u>

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F. Intangible Assets and Goodwill:

Intangible assets and goodwill consist of (in thousands):

	<i>Useful Life</i>	<i>June 30,</i>	
		<i>2014</i>	<i>2013</i>
Developed technology	8-12 years	\$ 48,166	\$ 28,656
Trade names	5-15 years	24,280	17,659
Customer relationships	8-14 years	59,240	8,613
Non-compete agreement	3-5 years	3,109	400
		<u>134,795</u>	<u>55,328</u>
Accumulated amortization		<u>(26,019)</u>	<u>(14,776)</u>
		<u>\$108,776</u>	<u>\$ 40,552</u>
Goodwill		<u>\$151,473</u>	<u>\$ 84,336</u>

The change in the carrying amount of goodwill in fiscal 2014 resulted from the Bionostics and PrimeGene acquisitions and currency translation.

Changes to the carrying amount of net intangible assets consists of (in thousands)

	<i>Year Ended June 30,</i>	
	<i>2014</i>	<i>2013</i>
Beginning balance	\$ 40,552	\$46,476
Acquisitions	75,122	0
Amortization expense	(10,267)	(5,061)
Currency translation	3,369	(863)
Ending balance	<u>\$108,776</u>	<u>\$40,552</u>

Amortization expense related to technologies included in cost of sales was \$4.2 million, \$3.0 million and \$3.0 million in fiscal 2014, 2013 and 2012, respectively. Amortization expense related to trade names, customer relationships, and the non-compete agreement included in selling, general and administrative expense was \$6.1 million, \$2.1 million and \$2.1 million in fiscal 2014, 2013 and 2012, respectively.

The estimated future amortization expense for intangible assets as of June 30, 2014 is as follows (in thousands):

<i>Year Ending June 30:</i>	
2015	\$ 12,187
2016	12,168
2017	11,340
2018	11,204
2019	10,698
Thereafter	<u>51,179</u>
	<u>\$108,776</u>

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G. Investments in Unconsolidated Entities:

On April 1, 2014, the Company entered into an Agreement of Investment and Merger (the Agreement) with CyVek, Inc. (CyVek). Pursuant to the terms of the Agreement, the Company invested \$10.0 million in CyVek and received shares of Common Stock representing approximately 19.9% of the outstanding voting stock of CyVek.

If, within twelve months of the date of the Agreement, CyVek meets commercial milestones related to the sale of its products, the Company will acquire CyVek through a merger, with CyVek surviving as a wholly-owned subsidiary of the Company. If the merger is consummated, the Company will make an initial payment of \$60.0 million to the other stockholders of CyVek. The purchase price payable at the closing of the merger may be adjusted based on the final levels of cash, indebtedness and transaction expenses of CyVek as of the closing. The Company will also pay CyVek's other stockholders up to \$35.0 million based on the revenue generated by CyVek's products and related products before the date that is 30 months from the closing of the Merger. The Company will also pay CyVek's other stockholders 50% of the amount, if any, by which the revenue from CyVek's products and related products exceeds \$100.0 million in calendar year 2020.

The Company has determined that it is not practicable to estimate the fair value of its investment in CyVek as CyVek is a development stage entity. The Company is not aware of any events or changes in circumstances that would materially impact the value of its investment.

H. Commitments and Contingencies:

The Company leases office and warehouse space, vehicles and various office equipment under operating leases. At June 30, 2014, aggregate net minimum rental commitments under non-cancelable leases having an initial or remaining term of more than one year are payable as follows (in thousands):

<u>Year Ending June 30:</u>	
2015	\$ 1,785
2016	1,649
2017	1,484
2018	1,238
2019	814
Thereafter	7,726
	<u>\$14,696</u>

Total rent expense was approximately \$1.6 million, \$0.7 million and \$0.8 million for the years ended June 30, 2014, 2013 and 2012, respectively.

The Company is routinely subject to claims and involved in legal actions which are incidental to the business of the Company. Although it is difficult to predict the ultimate outcome of these matters, management believes that any ultimate liability will not materially affect the consolidated financial position or results of operations of the Company.

I. Share-based Compensation and Other Benefit Plans:

Equity incentive plan: The Company's 2010 Equity Incentive Plan (the 2010 Plan) provides for the granting of incentive and nonqualified stock options, restricted stock, restricted stock units, performance shares, performance units and stock appreciation rights. There are 3.0 million shares of common stock authorized for grant under the 2010 Plan. At June 30, 2014, there were 2.3 million shares of common stock available for grant under the 2010 Plan. The maximum term of incentive options granted under the 2010 Plan is ten years. The 2010 Plan replaced the Company's 1998 Nonqualified Stock Option Plan (the 1998 Plan) and 1997 Incentive Stock Option Plan (the 1997 Plan). The 2010 Plan, the 1998 Plan and the 1997 Plan (collectively, the Plans) are administered by the Board of Directors and its Compensation Committee, which determine the persons who are to receive awards under the Plans, the number of shares subject to each award and the term and exercise price of each award. The number of shares of common stock subject to outstanding awards at June 30, 2014 under the 2010 Plan, the 1998 Plan and the 1997 Plan were 656,000, 151,000, and 9,000, respectively.

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Stock option activity under the Plans for the three years ended June 30, 2014, consists of the following (shares in thousands):

	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Avg. Contractual Life (Yrs.)</u>	<u>Aggregate Intrinsic Value</u>
Outstanding at June 30, 2011	499	\$64.15		
Granted	95	71.94		
Forfeited	(2)	76.15		
Exercised	(17)	50.98		
Outstanding at June 30, 2012	575	65.78		
Granted	175	67.80		
Exercised	(22)	51.17		
Outstanding at June 30, 2013	728	66.70		
Granted	251	80.88		
Forfeited	(26)	76.23		
Exercised	(142)	59.07		
Outstanding at June 30, 2014	811	\$72.11	5.4	\$16.6 million
Exercisable at June 30:				
2012	403	\$62.67		
2013	497	65.04		
2014	534	69.49	5.1	\$12.3 million

The fair values of options granted under the Plans were estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions used:

	<u>2014</u>	<u>Year Ended June 30, 2013</u>	<u>2012</u>
Dividend yield	1.5%	1.8%	1.5%
Expected volatility	18%-22%	18%-23%	22%-23%
Risk-free interest rates	1.4%-2.1%	0.4%-1.4%	0.9%-2.0%
Expected lives	6 years	5 years	6 years

The dividend yield is based on the Company's historical annual cash dividend divided by the market value of the Company's common stock. The expected annualized volatility is based on the Company's historical stock price over a period equivalent to the expected life of the option granted. The risk-free interest rate is based on U.S. Treasury constant maturity interest rates with a term consistent with the expected life of the options granted.

The weighted average fair value of options granted during fiscal 2014, 2013 and 2012 was \$14.77, \$9.72 and \$14.14, respectively. The total intrinsic value of options exercised during fiscal 2014, 2013 and 2012 were \$3.7 million, \$0.4 million and \$0.3 million, respectively. The total fair value of options vested during fiscal 2014, 2013 and 2012 were \$2.2 million, \$1.5 million and \$1.6 million, respectively.

In fiscal 2014 and fiscal 2013, 26,355 and 15,000 restricted common stock shares were granted at weighted average grant date fair values of \$86.60 and \$67.46 per share, respectively. Non-vested restricted common stock shares at June 30, 2014 and 2013 were 36,355 and 15,000, respectively.

In fiscal 2014, 5,000 restricted stock units were granted at a weighted average grant date fair value of \$86.25. The restricted stock units vest over a three year period.

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Stock-based compensation cost of \$3.5 million, \$1.9 million and \$1.6 million was included in selling, general and administrative expense in fiscal 2014, 2013 and 2012, respectively. As of June 30, 2014, there was \$5.5 million of unrecognized compensation cost related to non-vested stock options, non-vested restricted stock units and non-vested restricted stock which will be expensed in fiscal 2015 through 2018. The weighted average period over which the compensation cost is expected to be recognized is 1.2 years.

Profit sharing and savings plans: The Company has profit sharing and savings plans for its U.S. employees, which conform to IRS provisions for 401(k) plans. The Company may make profit sharing contributions at the discretion of the Board of Directors. The Company has recorded an expense for contributions to the plans of \$0.7 million and \$0.8 million for the years ended June 30, 2014 and 2012, respectively. No contribution was charged to operations for fiscal 2013. The Company operates defined contribution pension plans for its U.K. employees. The Company has recorded an expense for contributions to the plans of \$0.6 million, \$0.6 million and \$0.5 million for the years ended June 30, 2014, 2013 and 2012, respectively.

Performance incentive programs: In fiscal 2014, under certain employment agreements and a Management Incentive Plan available to executives officers and certain management personnel, the Company recorded cash bonuses of \$0.9 million and granted options for 216,000 shares of common stock, 5,000 restricted stock units and 17,855 shares of restricted common stock. In fiscal 2013 and 2012, under certain employment agreements with executive officers and an executive Incentive Bonus Plan, the Company recorded cash bonuses of \$0.3 million and \$31,000 and granted options for 132,852 and 22,932 shares of common stock for the years ended June 30, 2013 and 2012, respectively. In addition, in fiscal 2013, 15,000 restricted common stock shares were issued to an executive officer.

J. Income Taxes:

The provisions for income taxes consist of the following (in thousands):

	Year Ended June 30,		
	2014	2013	2012
Earnings before income taxes consist of:			
Domestic	\$127,681	\$127,491	\$130,009
Foreign	33,711	33,171	32,186
	<u>\$161,392</u>	<u>\$160,662</u>	<u>\$162,195</u>
Taxes on income consist of:			
Currently payable:			
Federal	\$ 40,967	\$ 37,666	\$ 42,288
State	1,709	2,012	3,065
Foreign	10,668	10,758	8,891
Net deferred:			
Federal	(1,137)	(595)	(4,318)
State	(41)	(7)	(149)
Foreign	(1,722)	(1,733)	87
	<u>\$ 50,444</u>	<u>\$ 48,101</u>	<u>\$ 49,864</u>

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The following is a reconciliation of the federal tax calculated at the statutory rate of 35% to the actual income taxes provided (in thousands):

	Year Ended June 30,		
	2014	2013	2012
Computed expected federal income tax expense	\$56,487	\$56,232	\$56,768
State income taxes, net of federal benefit	1,048	1,300	2,038
Qualified production activity deduction	(3,823)	(3,774)	(3,917)
Research and development tax credit	(476)	(1,392)	(465)
Tax-exempt interest	(654)	(568)	(565)
Foreign tax rate differences	(2,857)	(2,587)	(2,276)
Change in deferred tax valuation allowance	0	0	(3,016)
Other	719	(1,110)	1,297
	<u>\$50,444</u>	<u>\$48,101</u>	<u>\$49,864</u>

Temporary differences comprising deferred taxes on the Consolidated Balance Sheets are as follows (in thousands):

	June 30	
	2014	2013
Inventory	\$ 9,932	\$ 9,049
Unrealized profit on intercompany sales	1,959	1,973
Excess tax basis in equity investments	4,344	4,760
Deferred compensation	3,295	3,161
Other	1,129	885
Valuation allowance	(1,806)	0
Net deferred tax assets	18,853	19,828
Net unrealized gain on available-for-sale investments	(2,745)	(21,662)
Goodwill and intangible asset amortization	(37,641)	(15,195)
Depreciation	(2,166)	(701)
Other	(516)	(687)
Deferred tax liabilities	(43,068)	(38,245)
Net deferred tax liabilities	<u>\$(24,215)</u>	<u>\$(18,417)</u>

A deferred tax valuation allowance is required when it is more likely than not that all or a portion of deferred tax assets will not be realized. At June 30, 2014, the Company has provided a valuation allowance for potential capital loss carryovers resulting from excess tax basis in certain of its equity investments. The Company believes that it is more likely than not that the results of future operations will generate sufficient taxable income to realize the recorded deferred tax assets.

During fiscal 2013, the Company's R&D Europe subsidiary declared and paid a dividend of £20 million (\$30.7 million) to the Company. The £20 million R&D Europe earnings had previously been taxed in the U.S. and therefore, no additional U.S. tax resulted from the repatriation. Undistributed earnings of the Company's foreign subsidiaries amounted to approximately \$174 million as of June 30, 2014. Deferred taxes have not been provided on such undistributed earnings, as the Company has either paid U.S. taxes on the undistributed earnings or intends to indefinitely reinvest the undistributed earnings in the foreign operations.

The Company's unrecognized tax benefits at June 30, 2014, 2013 and 2012, including accrued interest and penalties, were not material. The Company does not believe it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase in the next twelve months. The Company files income tax returns in the U.S. federal tax jurisdiction, the states of Minnesota, Massachusetts and California, and several jurisdictions outside the U.S. U.S. tax returns for 2011 and subsequent years remain open to examination by the tax authorities. The Company's major non-U.S. tax jurisdictions are the United Kingdom, France and Germany, which have tax years open to examination for 2011 and subsequent years, and China, which has calendar year 2014 open to examination.

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K. Earnings Per Share:

The number of shares used to calculate earnings per share are as follows (in thousands, except per share data):

	Year Ended June 30,		
	2014	2013	2012
Net earnings used for basic and diluted earnings per share	\$110,948	\$112,561	\$112,331
Weighted average shares used in basic computation	36,890	36,836	36,939
Dilutive stock options	115	64	67
Weighted average shares used in diluted computation	37,005	36,900	37,006
Basic EPS	\$ 3.01	\$ 3.06	\$ 3.04
Diluted EPS	\$ 3.00	\$ 3.05	\$ 3.04

The dilutive effect of stock options in the above table excludes all options for which the aggregate exercise proceeds exceeded the average market price for the period. The number of potentially dilutive option shares excluded from the calculation was 196,000, 329,000 and 94,000 at June 30, 2014, 2013 and 2012, respectively.

L. Segment Information:

The Company has two reportable segments based on the nature of its products. The Company's Biotechnology reporting segment develops, manufactures and sells biotechnology research and diagnostic products world-wide. The Company's Clinical Controls reporting segment develops and manufactures controls and calibrators for sale world-wide. No customer in the Biotechnology segment accounted for more than 10% of the segments net sales for the years ended June 30, 2014, 2013 and 2012. One customer accounted for approximately 14% of Clinical Controls' net sales during fiscal 2014. No single customer accounted for more than 10% of Clinical Controls' net sales in fiscal 2013 or 2012. There are no concentrations of business transacted with a particular customer or supplier or concentrations of revenue from a particular product or geographic area that would severely impact the Company in the near term.

The accounting policies of the segments are the same as those described in Note A. In evaluating segment performance, management focuses on sales and earnings before taxes.

Following is financial information relating to the operating segments (in thousands):

	Year Ended June 30,		
	2014	2013	2012
External sales			
Biotechnology	\$300,578	\$288,156	\$293,274
Clinical Controls	57,185	22,419	21,286
Consolidated net sales	\$357,763	\$310,575	\$314,560
Earnings before taxes			
Biotechnology	\$159,220	\$156,910	\$162,763
Clinical Controls	10,643	8,746	8,002
Segment earnings before taxes	169,863	165,656	170,765
Corporate	(8,471)	(4,994)	(8,570)
Consolidated earnings before taxes	\$161,392	\$160,662	\$162,195
Goodwill			
Biotechnology	\$ 95,124	\$ 84,336	\$ 85,682
Clinical Controls	56,349	0	0
Consolidated goodwill	\$151,473	\$ 84,336	\$ 85,682
Intangible assets, net			
Biotechnology	\$ 53,778	\$ 40,552	\$ 46,476
Clinical Controls	54,998	0	0
Consolidated intangible assets, net	\$108,776	\$ 40,552	\$ 46,476

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	Year Ended June 30,		
	2014	2013	2012
Assets			
Biotechnology	\$685,302	\$580,085	\$529,392
Clinical Controls	55,615	24,887	22,135
Segment assets	740,917	604,972	551,527
Corporate cash and available- for- sale investments	60,142	108,504	112,443
Corporate property and equipment	60,350	61,296	51,587
Corporate, other	1,082	3,326	3,767
Consolidated assets	<u>\$862,491</u>	<u>\$778,098</u>	<u>\$719,324</u>
Depreciation and amortization			
Biotechnology	\$ 10,879	\$ 10,781	\$ 10,920
Clinical Controls	7,205	389	411
Segment depreciation and amortization	18,084	11,170	11,331
Corporate	1,091	1,151	1,136
Consolidated depreciation and amortization	<u>\$ 19,175</u>	<u>\$ 12,321</u>	<u>\$ 12,467</u>
Capital purchases			
Biotechnology	\$ 4,157	\$ 3,248	\$ 4,021
Clinical Controls	5,687	6,914	597
Segment capital purchases	9,844	10,162	4,618
Corporate	3,977	12,292	1,399
Consolidated capital purchases	<u>\$ 13,821</u>	<u>\$ 22,454</u>	<u>\$ 6,017</u>

The other reconciling items include the results of unallocated corporate expenses and the Company's share of gain (losses) from its equity method investees.

Following is financial information relating to geographic areas (in thousands):

	Year Ended June 30,		
	2014	2013	2012
External sales			
United States	\$190,359	\$164,308	\$172,310
Europe	97,157	88,297	90,142
China	18,878	14,106	11,378
Other Asia	32,704	28,608	25,988
Rest of world	18,665	15,256	14,742
Total external sales	<u>\$357,763</u>	<u>\$310,575</u>	<u>\$314,560</u>
Long-lived assets			
United States	\$109,790	\$103,541	\$ 87,968
Europe	8,340	7,129	7,528
China	678	117	141
Total long-lived assets	<u>\$118,808</u>	<u>\$110,787</u>	<u>\$ 95,637</u>

External sales are attributed to countries based on the location of the customer or distributor. Long-lived assets are comprised of land, buildings and improvements and equipment, net of accumulated depreciation and other assets.

M. Supplemental Disclosures of Cash Flow Information and Noncash Investing and Financing Activities:

In fiscal 2014, the Company acquired PrimeGene for approximately \$18.7 million. Approximately \$6.0 million was paid at closing with approximately \$12.7 million payable over fiscal years 2015 through 2017.

In fiscal 2014, 2013 and 2012, the Company paid cash for income taxes of \$55.2 million, \$51.6 million and \$58.7 million, respectively.

In fiscal 2014, stock options for 1,077 shares of common stock were exercised by the surrender of 733 shares of common stock at fair market value of \$56,000.

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During fiscal 2012, the Company's cost basis investment in CCXI was converted to an available-for-sale investment carried at fair value.

N. Accumulated Other Comprehensive Income:

Changes in accumulated other comprehensive income (loss), net of tax, for the year ended June 30, 2014 consists of (in thousands):

	<i>Unrealized Gains (Losses) on Available- for-Sale Investments</i>	<i>Foreign Currency Translation Adjustments</i>	<i>Total</i>
Beginning balance	\$ 38,834	\$(24,281)	\$ 14,553
Other comprehensive income before reclassifications	(35,142)	15,819	(19,323)
Reclassifications from accumulated other comprehensive income	(618)	0	(618)
Other comprehensive income	(35,760)	15,819	(19,941)
Ending balance	\$ 3,074	\$(8,462)	\$(5,388)

O. Subsequent Events:

On July 2, 2014, the Company acquired all of the issued and outstanding equity interests of Novus Holdings LLC (Novus). The Company paid \$60 million for the acquisition. Novus is a supplier of a large portfolio of both outsourced and in-house developed antibodies and other reagents for life science research. The transaction was financed through cash on hand.

On July 31, 2014, the Company acquired ProteinSimple. ProteinSimple develops and commercializes proprietary systems and consumables for protein analysis. ProteinSimple was acquired for approximately \$300 million, subject to adjustment following closing based on the final level of working capital of ProteinSimple. The transaction was financed through cash on hand and a revolving line of credit facility governed by a Credit Agreement dated July 28, 2014 (the Credit Agreement).

The Credit Agreement provides for a revolving credit facility of \$150 million, which can be increased by an additional \$150 million subject to certain conditions. Borrowings under the Credit Agreement may be used for working capital and expenditures of the Company and its subsidiaries, including financing permitted acquisitions. Borrowings under the Credit Agreement bear interest at a variable rate. The Credit Agreement matures on July 31, 2019. The Credit Agreement contains customary restrictive and financial covenants. The Credit Agreement also contains customary events of default. The Company did not make any draws on the Credit Agreement at the closing of the Credit Agreement. On July 31, 2014, the Company drew \$125 million on the Credit Agreement in relation to the closing of the ProteinSimple acquisition.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Techne Corporation:

We have audited the accompanying consolidated balance sheets of Techne Corporation and subsidiaries (the Company) as of June 30, 2014 and 2013, and the related consolidated statements of earnings and comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended June 30, 2014. We also have audited Techne Corporation's internal control over financial reporting as of June 30, 2014, based on criteria established in *Internal Control – Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Techne Corporation's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual report on Internal Controls over Financial Reporting. Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Techne Corporation and subsidiaries as of June 30, 2014 and 2013, and the results of its operations and its cash flows for each of the years in the three-year period ended June 30, 2014, in conformity with U.S. generally accepted accounting principles. Also in our opinion, Techne Corporation maintained, in all material respects, effective internal control over financial reporting as of June 30, 2014, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

KPMG LLP

Minneapolis, Minnesota
August 29, 2014

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON
ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934 (the “Exchange Act”), management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated, as of the end of the period covered by this report, the effectiveness of our disclosure controls and procedures as defined in Exchange Act Rule 13a-15(e). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2014.

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, including our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of June 30, 2014. In making this assessment, our management used the criteria for effective internal control over financial reporting described in “Internal Control – Integrated Framework (1992)” issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has determined that our internal control over financial reporting was effective as of June 30, 2014.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis. At June 30, 2013, the Company identified a material weakness in the design, implementation and operating effectiveness of general IT controls (GITCs) intended to ensure that access to financial applications and data was adequately restricted to appropriate personnel, and that program changes to particular financial applications are documented, tested, and moved into the production environment only by individuals separate from the development function. As a result, certain classes of transactions subject to controls that rely upon information generated by the Company’s IT systems that are subject to the operation of the GITCs, including the completeness, existence, and accuracy of revenue and accounts receivable, allow for a reasonable possibility that a misstatement is not adequately prevented or detected through the operation of management’s system of internal control over financial reporting.

In light of the material weakness identified above, at June 30, 2013, the Company performed additional analysis and other post-closing procedures to ensure that the Company’s consolidated financial statements were prepared in accordance with generally accepted accounting principles and accurately reflect its financial position and results of operation as of and for the year ended June 30, 2013.

During fiscal 2014, the Company enhanced its internal testing approach, including performing additional procedures and expanding the documentation for select controls, to ensure the completeness, existence and accuracy of system generated information used to support the operation of the controls. As of June 30, 2014, the Company’s management has concluded that the enhanced testing and the expansion of human resources to improve segregation of duties have remediated the material weakness.

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The Company's internal control over financial reporting as of June 30, 2014 has been audited by KPMG LLP, as stated in their report which is included elsewhere herein.

Changes in Internal Control over Financial Reporting

Other than the remediation actions described above, there were no other material changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

On April 24, 2014, the Board of Directors of Techne Corporation (the "Company"), approved a form of indemnification agreement (the "Indemnification Agreement") and authorized the Company to enter into an Indemnification Agreement with each of the Company's directors and executive officers and certain other employees as determined by the Company's chief executive officer (each an "Indemnitee").

The Indemnification Agreement clarifies the process and conditions under which the Company will advance expenses and indemnify each Indemnitee against costs incurred in connection with a proceeding to which an Indemnitee is made party to, or threatened to be made party to, by reason of anything done or not done by the Indemnitee in his or her official capacity, or in which he or she serves as a witness by reason of such official capacity. The indemnification rights provided for in the Indemnification Agreement supersede other agreements on the topics of indemnification and advancement, including the Company's Bylaws, and supplement indemnification and advancement rights provided for under applicable law.

This foregoing description of the material terms of the Indemnification Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Indemnification Agreement, which is attached as Exhibit 10.27 hereto and is incorporated by reference herein.

On August 27, 2014, the Company, Research and Diagnostic Systems, Inc. ("R&D"), a Minnesota corporation and wholly-owned subsidiary of the Company, and Cayenne Merger Sub, Inc. ("Merger Sub"), a Delaware corporation and wholly-owned subsidiary of R&D, entered into a letter agreement (the "Agreement") with CyVek, Inc., a Delaware corporation ("CyVek"), relating to the Agreement of Investment and Merger, dated as of April 1, 2014, among such parties and Citron Capital Limited, as Stockholders' Agent (the "Merger Agreement").

Under the Agreement, the parties agreed that they have no obligations under Section 5.5 of the Merger Agreement to enter into any agreement relating to certain pre-merger services. In addition, the Agreement clarifies that certain leases or licenses of the CyPlex analyzer solely for binding commitments to purchase cartridges will constitute valid leases or licenses for purposes of the Commercial Milestone Achievement set forth in Section 7.8 of the Merger Agreement, and that certain related customers will be considered separate, independent, unaffiliated third-party customers for purposes of meeting the Commercial Milestone Achievement set forth in Section 7.8 of the Merger Agreement.

This description of the material terms of the Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Agreement, which will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ending September 30, 2014.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Other than “Executive Officers of the Registrant” which is set forth at the end of Item 1 in Part I of this report, the information required by Item 10 is incorporated herein by reference to the sections entitled “Election of Directors,” “Corporate Governance” and “Compliance With Section 16(a) of the Exchange Act” in the Company’s Proxy Statement for its 2014 Annual Meeting of Shareholders which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year for which this report is filed.

ITEM 11. EXECUTIVE COMPENSATION

The information required by Item 11 is incorporated herein by reference to the section entitled “Corporate Governance” and “Executive Compensation Discussion and Analysis” in the Company’s Proxy Statement for its 2014 Annual Meeting of Shareholders which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year for which this report is filed.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

Information about the Company’s equity compensation plans at June 30, 2014 is as follows:

<i>Plan Category</i>	<i>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</i>	<i>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</i>	<i>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans</i>
Equity compensation plans approved by Shareholders ⁽¹⁾	816,000	\$72.11	2.3 million
Equity compensation plans not approved by Shareholders	0	0	0

(1) Includes the Company’s 2010 Equity Incentive Plan, 1997 Incentive Stock Option Plan and 1998 Nonqualified Stock Option Plan.

The remaining information required by Item 12 is incorporated by reference to the sections entitled “Principal Shareholders” and “Management Shareholdings” in the Company’s Proxy Statement for its 2014 Annual Meeting of Shareholders which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year for which this report is filed.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by Item 13 is incorporated by reference to the sections entitled “Corporate Governance” in the Company’s Proxy Statement for its 2014 Annual Meeting of Shareholders which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year for which this report is filed.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by Item 14 is incorporated herein by reference to the section entitled “Audit Matters” in the Company’s Proxy Statement for its 2014 Annual Meeting of Shareholders which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year for which this report is filed.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

A. (1) List of Financial Statements.

The following Consolidated Financial Statements are filed as part of this Annual Report on Form 10-K:
Consolidated Statements of Earnings and Comprehensive Income for the Years Ended June 30, 2014, 2013 and 2012
Consolidated Balance Sheets as of June 30, 2014 and 2013
Consolidated Statements of Shareholders’ Equity for the Years Ended June 30, 2014, 2013 and 2012
Consolidated Statements of Cash Flows for the Years Ended June 30, 2014, 2013 and 2012
Notes to Consolidated Financial Statements for the Years Ended June 30, 2014, 2013 and 2012
Report of Independent Registered Public Accounting Firm

A. (2) Financial Statement Schedules.

All financial statement schedules are omitted because they are not applicable, not material or the required information is shown in the Consolidated Financial Statements or Notes thereto.

A. (3) Exhibits.

See “Exhibit Index” immediately following signature page.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

TECHNE CORPORATION

Date: August 29, 2014

/s/ Charles Kummeth

By: Charles Kummeth

Its: President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date

Signature and Title

August 29, 2014

/s/ Robert V. Baumgartner

Robert V. Baumgartner

Chairman of the Board and Director

August 29, 2014

/s/ Roger C. Lucas, Ph.D.

Dr. Roger C. Lucas

Vice Chairman and Director

August 29, 2014

/s/ Howard V. O'Connell

Howard V. O'Connell, Director

August 29, 2014

/s/ Randolph C. Steer, Ph.D., M.D.

Dr. Randolph C. Steer, Director

August 29, 2014

/s/ Charles A. Dinarello, M.D.

Dr. Charles A. Dinarello, Director

August 29, 2014

/s/ Karen A. Holbrook, Ph.D.

Dr. Karen A. Holbrook, Director

August 29, 2014

/s/ John L. Higgins

John L. Higgins, Director

August 29, 2014

/s/ Roeland Nusse, Ph.D.

Dr. Roeland Nusse, Director

August 29, 2014

/s/ Harold J. Wiens

Harold J. Wiens, Director

August 29, 2014

/s/ Charles Kummeth

Charles Kummeth, Chief Executive Officer
(principal executive officer)

August 29, 2014

/s/ James Hippel

James Hippel, Chief Financial Officer
(principal financial officer and principal accounting officer)

EXHIBIT INDEX
for Form 10-K for the 2014 Fiscal Year

<u>Exhibit Number</u>	<u>Description</u>
3.1	Restated Bylaws of Company, as amended to date – incorporated by reference to Exhibit 3.1 of the Company’s Form 8-K dated October 25, 2012.*
3.2	Restated Articles of Incorporation of the Company, as amended to date – incorporated by reference to Exhibit 3.2 of the Company’s Form 8-K, dated October 25, 2012.*
10.1**	Company’s Profit Sharing Plan – incorporated by reference to Exhibit 10.6 of the Company’s Form 10, dated October 27, 1988.*
10.2**	Company’s Stock Bonus Plan – incorporated by reference to Exhibit 10.7 of the Company’s Form 10, dated October 27, 1988.*
10.3**	1997 Incentive Stock Option Plan – incorporated by reference to Exhibit 10.24 of the Company’s Form 10-K for the year ended June 30, 1997.*
10.4**	Form of Stock Option Agreement for 1997 Incentive Stock Option Plan – incorporated by reference to Exhibit 10.25 of the Company’s Form 10-K for the year ended June 30, 1997.*
10.5**	1998 Nonqualified Stock Option Plan – incorporated by reference to Exhibit 10.1 of the Company’s Form 10-Q for the quarter ended September 30, 1998.*
10.6**	Form of Stock Option Agreement for 1998 Nonqualified Stock Option Plan – incorporated by reference to Exhibit 10.2 of the Company’s Form 10-Q for the quarter ended September 30, 1998.*
10.7	Amended and Restated Investors Rights Agreement dated June 13, 2006 among ChemoCentryx, Inc and the Company and certain investors – incorporated by reference to Exhibit 10.31 of the Company’s 10-K for the year ended June 30, 2006.*
10.8**	Description of Management Incentive Bonus Under the Techne Corporation 2010 Equity Incentive Plan – incorporated by reference to Exhibit 10.13 of the Company’s 10-K for the year ended June 30, 2013.*
10.9**	2010 Equity Incentive Plan – incorporated by reference to Exhibit 10.1 of the Company’s 8-K dated October 28, 2010.*
10.10**	Form of Nonqualified Stock Option Agreement for the 2010 Equity Incentive Plan – incorporated by reference to Exhibit 10.2 of the Company’s 8-K dated October 28, 2010.*
10.11**	Form of Incentive Stock Option Agreement for the 2010 Equity Incentive Plan – incorporated by reference to Exhibit 10.3 of the Company’s 8-K dated October 28, 2010.*
10.12**	Amended and Restated Employment Agreement, dated July 1, 2011, with Marcel Veronneau – incorporated by reference to Exhibit 10.19 of the Company’s 10-K for the year ended June 30, 2011.*

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<u>Exhibit Number</u>	<u>Description</u>
10.13**	Employment Agreement by and between the Company and Charles Kummeth – incorporated by reference to Exhibit 10.1 of the Company’s 8-K dated March 16, 2013.*
10.14**	Form of Restricted Stock Agreement for the 2010 Equity Incentive Plan – incorporated by reference to Exhibit 10.1 of the Company’s 10-Q for the quarter ended March 31, 2013.*
10.15**	Amendment No. 2 to Amended and Restated Employment Agreement, dated April 12, 2013, with Gregory J. Melsen – incorporated by reference to Exhibit 10.23 of the Company’s 10-K for the year ended June 30, 2013.*
10.16	Share Purchase Agreement by and among Research and Diagnostic Systems, Inc., Bionostics Holdings Limited, Bionostics, Inc., the shareholders of Bionostics Holdings Limited, and Harwood Capital, LLP as Sellers’ Representative, dated June 17, 2013 – incorporated by reference to Exhibit 2.1 of the Company’s 8-K dated June 17, 2013.*
10.17**	Description of Non-employee Director Compensation Plan – incorporated by reference to Exhibit 10.25 of the Company’s 10-K for the year ended June 30, 2013.*
10.18**	Employment Agreement by and between the Company and Kevin Reagan, dated January 24, 2012 – incorporated by reference to Exhibit 10.26 of the Company’s 10-K for the year ended June 30, 2013.*
10.19**	Employment Agreement by and between the Company and Dr. J. Fernando Bazan, dated August 1, 2013 – incorporated by reference to Exhibit 10.27 of the Company’s 10-K for the year ended June 30, 2013.*
10.20**	Compensation Arrangement for the Executive Officers for Fiscal Year 2014 – incorporated by reference to Exhibit 10.28 of the Company’s 10-K for the year ended June 30, 2013.*
10.21**	Employment Agreement by and between the Company and Mr. James T. Hippel, dated February 5, 2014 – incorporated by reference to Exhibit 10.1 of the Company’s 8-K dated February 5, 2014.*
10.22	Agreement of Investment and Merger between the Company, Research and Diagnostics Systems, Inc., Cayenne Merger Sub, Inc., CyVek, Inc. and Citron Capital Limited dated April 1, 2014.
10.23	Agreement and Plan of Merger by and among Techne Corporation, McLaren Merger Sub, Inc., ProteinSimple and Fortis Advisors LLC, as the Securityholders’ Representative, dated June 16, 2014 – incorporated by reference to Exhibit 2.1 of the Company’s 8-K dated June 16, 2014.*
10.24	Unit Purchase Agreement by and among Techne Corporation, Novus Holdings, LLC, the Members of Novus Holdings, LLC, and the Members’ Representative dated July 2, 2014.
10.25**	Employment Agreement by and between the Company and Mr. David Eansor, dated July 2, 2014.
10.26	Credit Agreement by and among Techne Corporation, the Guarantors party thereto, the Lenders party thereto, and BMO Harris Bank N.A., as Administrative Agent, dated July 28, 2014 – incorporated by reference to Exhibit 10.1 of the Company’s 8-K dated July 28, 2014.*
10.27	Form of Indemnification Agreement entered into with each director and executive officers of the Company.
21	Subsidiaries of the Company.

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<u>Exhibit Number</u>	<u>Description</u>
23	Consent of KPMG LLP, Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial statements from the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2014, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Statements of Earnings and Comprehensive Income, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Shareholders' Equity, (iv) the Consolidated Statements of Cash Flows, and (v) Notes to the Consolidated Financial Statements.

* Incorporated by reference; SEC File No. 000-17272

** Management contract or compensatory plan or arrangement

AGREEMENT OF INVESTMENT AND MERGER

among:

TECHNE CORPORATION,
a Minnesota corporation;

RESEARCH AND DIAGNOSTIC SYSTEMS, INC.,
a Minnesota corporation;

CAYENNE MERGER SUB, INC.,
a Delaware corporation;

CYVEK, INC.,
a Delaware corporation;

and

CITRON CAPITAL LIMITED,
as the Stockholders' Agent.

Dated as of April 1, 2014

AGREEMENT OF INVESTMENT AND MERGER

THIS AGREEMENT OF INVESTMENT AND MERGER (this “Agreement”) is made and entered into as of April 1, 2014, by and among: **TECHNE CORPORATION**, a Minnesota corporation (“Ultimate Parent”); **RESEARCH AND DIAGNOSTIC SYSTEMS, INC.**, a Minnesota corporation (“Parent”); **CAYENNE MERGER SUB, INC.**, a Delaware corporation and a wholly-owned Subsidiary of Parent (“Merger Sub”); **CYVEK, INC.**, a Delaware corporation (the “Company”); and **CITRON CAPITAL LIMITED**, solely in its capacity as the Stockholders’ Agent (as defined in Section 11.1). Certain other capitalized terms used in this Agreement are defined in Exhibit A.

Recitals

A. Parent desires to make an equity investment in the Company on the date hereof in accordance with the terms and conditions set forth in this Agreement.

B. Additionally, Parent, Merger Sub and the Company intend to effect a merger of Merger Sub into the Company (the “Merger”) in accordance with this Agreement and the Delaware General Corporation Law (the “DGCL”). Upon consummation of the Merger, Merger Sub will cease to exist, and the Company will become a wholly-owned Subsidiary of Parent. The respective boards of directors of Parent, Merger Sub and the Company have approved this Agreement and the Merger.

C. Ultimate Parent is the parent corporation of Parent and will be benefit from the consummation of the transactions contemplated hereby.

Agreement

The parties to this Agreement agree as follows:

1. DESCRIPTION OF INVESTMENT TRANSACTION

1.1 Issuance and Sale of Shares of Company Common Stock. Upon the terms and subject to the satisfaction and/or waiver of all of the conditions set forth in Sections 1.2 and 1.3 hereof, at the Investment Closing (as defined below), the Company shall issue and sell to Parent, and Parent shall purchase from the Company, 3,201,632 shares of Company Common Stock (the “Parent Shares”) in exchange for \$10,000,000 (the “Investment Purchase Price”). The closing of the purchase and sale of the Parent Shares (the “Investment Closing”) shall take place remotely via the exchange of the requisite documents and signatures at 1:00 p.m. (Eastern time) on the second Business Day following the satisfaction and/or waiver of all of the conditions set forth in Sections 1.2 and 1.3 hereof, or such time and date as Parent and the Company may agree upon (which date is referred to in this Agreement as the “Investment Closing Date”). At the Investment Closing, the Company shall deliver to Parent a certificate, registered in the name of Parent, representing the Parent Shares against delivery to the Company by Parent of the Investment Purchase Price payable in immediately available funds by wire transfer to an account designated by the Company in writing.

1.2 Conditions Precedent to Investment Obligations of Parent. The obligation of Parent under this Agreement to purchase and pay for the Parent Shares at the Investment Closing is subject to the satisfaction, or waiver by Parent, at or prior to the Investment Closing, of each of the following conditions:

(a) each of the representations and warranties made by the Company in this Agreement shall be accurate in all material respects as of the Investment Closing Date as if made on and as of the Investment Closing Date;

(b) all of the covenants and obligations that the Company is required to comply with or to perform at or prior to the Investment Closing shall have been complied with and performed in all material respects;

(c) the Company shall have delivered to Parent a certificate duly executed on behalf of the Company by the chief executive officer of the Company and containing the representation and warranty of the Company that the conditions set forth in Sections 1.2(a) and (b) have been duly satisfied;

(d) the Company shall have delivered to Parent a certificate of the Secretary of the Company dated the date of the Investment Closing and certifying: (i) that attached thereto is a true and complete copy of the bylaws of the Company as in effect on the date of such certification; (ii) that attached thereto is a true and complete copy of the certificate of incorporation of the Company as in effect on the date of such certification; and (iii) that attached thereto is a true and complete copy of all resolutions adopted by the Board of Directors of the Company authorizing the execution, delivery and performance of this Agreement and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated by this Agreement;

(e) the execution and delivery by each of the Company and Parent of the Joinder and Acknowledgment Agreement, dated the date of the Investment Closing (the "Joinder Agreement"), in the form of Exhibit C attached to this Agreement, which provides for, among other things, Parent becoming a party as an "Other Stockholder" to (i) that certain Right of First Refusal/Co-Sale Agreement, entered into as of January 28, 2010, by and among the Company and certain stockholders of the Company (as amended to date and as further amended from time to time in accordance with the terms thereof, the "ROFR Agreement") and (ii) that certain Investors' Rights Agreement, entered into as of January 28, 2010, by and among the Company and certain stockholders of the Company (as amended to date and as further amended from time to time in accordance with the terms thereof, the "Investors' Rights Agreement");

(f) the execution and delivery by each of the Company, Parent and the holders of at least a majority of the Company's outstanding voting capital stock of the First Amendment to Amended and Restated Voting Agreement, dated the date of the Investment Closing (the "Voting Agreement Amendment"), in the form of Exhibit D attached to this Agreement, which provides for, among other things, Parent becoming a party as an "Other Stockholder" to that certain Amended and Restated Voting Agreement, entered into as of May 14, 2010, by and among the Company and certain stockholders of the Company (as amended to date, as amended by the Voting Agreement Amendment and as further amended from time to time in accordance with the terms thereof, the "Voting Agreement");

(g) the Company shall have delivered to Parent certificates of good standing/legal existence issued by the Secretary of State of the States of Delaware and Connecticut dated within ten (10) days prior to the Investment Closing;

(h) the Company shall have adopted and filed with the Secretary of State of Delaware on or before the Investment Closing an amendment to the Company's Certificate of Incorporation in the form of Exhibit E attached to this Agreement (the "Certificate Amendment") and shall have delivered to Parent a copy of such filing certified by the Secretary of State of Delaware;

(i) the Company shall have delivered to Parent a stock certificate, registered in the name of Parent, representing the Parent Shares;

(j) the Company shall have fully satisfied (including with respect to rights of timely notification) or obtained enforceable waivers in respect of any preemptive or similar rights directly or indirectly affecting any of its securities with respect to the issuance of the Parent Shares;

(k) all other authorizations, approvals and consents that are required in connection with the issuance and sale of the Parent Shares pursuant to this Agreement shall be obtained and effective as of the Investment Closing;

(l) the Company shall have obtained the Required Merger Stockholder Votes, either at a special meeting of stockholders or pursuant to a written stockholder consent, all in accordance with the applicable requirements of the DGCL, and the Company shall have delivered evidence satisfactory to Parent of such Required Merger Stockholder Votes; and

(m) the Company shall have obtained Agreements of Stockholder from the Principal Securityholders, substantially in the form of Exhibit F attached to this Agreement (the "Agreements of Stockholder").

1.3 Conditions Precedent to Investment Obligations of Company. The obligation of the Company under this Agreement to issue and sell the Parent Shares at the Investment Closing is subject to the satisfaction, or waiver by the Company, at or prior to the Investment Closing, of each of the following conditions:

(a) each of the representations and warranties made by Ultimate Parent, Parent and Merger Sub in this Agreement shall be accurate in all material respects as of the Investment Closing Date as if made on and as of the Investment Closing Date;

(b) all of the covenants and obligations that Ultimate Parent, Parent and Merger Sub are required to comply with or to perform at or prior to the Investment Closing shall have been complied with and performed in all material respects;

(c) Parent shall have delivered to the Company a certificate duly executed on behalf of Parent by an officer of Parent and containing the representation and warranty of Parent that the conditions set forth in Sections 1.3(a) and (b) have been duly satisfied;

(d) all authorizations, approvals and consents that are required in connection with the issuance and sale of the Parent Shares pursuant to this Agreement shall be obtained and effective as of the Investment Closing;

(e) Parent shall have delivered to the Company a certificate of an executive officer of Parent dated the date of the Investment Closing and certifying that attached thereto is a true and complete copy of all resolutions adopted by the Board of Directors of each of Ultimate Parent, Parent and Merger Sub authorizing the execution, delivery and performance of this Agreement and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated by this Agreement;

(f) the execution and delivery by each of the Company and Parent of the Joinder Agreement;

(g) the execution and delivery by each of the Company, Parent and the holders of at least a majority of the Company's outstanding voting capital stock of the Voting Agreement Amendment; and

(h) the Company shall have received payment of the Investment Purchase Price in immediately available funds by wire transfer to an account designated by the Company in writing.

2. DESCRIPTION OF MERGER TRANSACTION

2.1 Merger of Merger Sub into the Company. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the applicable provisions of the DGCL, at the Effective Time (as defined in Section 2.3), Merger Sub shall be merged with and into the Company, and the separate existence of Merger Sub shall cease. The Company will continue as the surviving corporation in the Merger (the "Surviving Corporation") (all references in this Agreement to the "Company" shall mean the "Surviving Corporation" after the Effective Time) and a wholly-owned Subsidiary of Parent.

2.2 Effect of the Merger. The Merger shall have the effects set forth in this Agreement and in the applicable provisions of the DGCL.

2.3 Merger Closing; Effective Time. The consummation of the Merger and the transactions related to the Merger contemplated by this Agreement (the "Merger Closing") shall take place remotely via the exchange of the requisite documents and signatures at 1:00 p.m. (Eastern time) on a date to be designated by Parent, which shall be no later than the first Business Day of the first month that is no less than thirty (30) days and no greater than sixty (60) days after the date that the Company provides written notice of the Commercial Milestone Achievement (as defined below) to Parent (subject to the satisfaction or waiver of the other conditions set forth in Sections 7 and 8 (other than conditions to be satisfied by the delivery of

documents by the parties or the delivery of funds by Parent at the Merger Closing, but subject to the satisfaction or waiver of such conditions at the Merger Closing)) or at such time and date as Parent and Company may agree upon. The date on which the Merger Closing actually takes place is referred to in this Agreement as the “Merger Closing Date.” Contemporaneously with the Merger Closing, a properly executed certificate of merger (the “Certificate of Merger”) conforming to the requirements of the DGCL shall be filed with the Secretary of State of the State of Delaware. The Merger shall become effective as of the time that the Certificate of Merger is filed and accepted by the Secretary of State of the State of Delaware (the “Effective Time”).

2.4 Certificate of Incorporation and Bylaws; Directors and Officers. Unless otherwise determined by Parent prior to the Effective Time:

(a) the certificate of incorporation of the Surviving Corporation immediately following the Effective Time shall be amended and restated in its entirety to be the same as the certificate of incorporation of Merger Sub immediately prior to the Effective Time, except that (i) the name of the corporation set forth therein shall be changed to the name of the Company and (ii) the identity of the incorporator shall be deleted;

(b) the bylaws of the Surviving Corporation shall be amended and restated as of the Effective Time to conform to the bylaws of Merger Sub as in effect immediately prior to the Effective Time; and

(c) the directors of Merger Sub shall become the directors of the Surviving Corporation as of the Effective Time and officers of Merger Sub shall become the officers of the Surviving Corporation as of the Effective Time, in their respective positions as with Merger Sub.

2.5 Aggregate Merger Consideration.

(a) Certain Definitions. For purposes of this Agreement:

“Additional Closing Payment Adjustment Payment” is defined in Section 2.5(c)(iv)(B).

“Additional Closing Payment Adjustment Payment Per FD Share” is defined in Section 2.5(c)(iv)(B).

“Aggregate Exercise Amount” means the aggregate dollar amount payable to the Company as purchase price for the exercise of all Outstanding Options and Outstanding Warrants.

“Aggregate Liquidation Preference Amount” means the *sum* of:

(A) the aggregate Series A Preference Per Share Amount sum in respect of all shares of Outstanding Series A Preferred Stock; *plus*

(B) the aggregate Series B Preference Per Share Amount sum in respect of all shares of Outstanding Series B Preferred Stock; *plus*

(C) the aggregate Series C Preference Per Share Amount sum in respect of all shares of Outstanding Series C Preferred Stock; *plus*

(D) the aggregate Series D Preference Per Share Amount sum in respect of all shares of Outstanding Series D Preferred Stock.

“Aggregate Merger Consideration” is defined in Section 2.5(b)(i).

“Aggregate Residual Amount” means the *sum of*: (A) the Grossed Up Closing Payment, *minus* (B) the Aggregate Liquidation Preference Amount.

“Approved Arbitrators” is defined in Section 2.5(f)(i).

“Arbitrator” is defined in Section 2.5(f)(i).

“Cash on Hand” means as of the Merger Closing Date all cash and cash equivalents of the Company, determined in accordance with GAAP. For the avoidance of doubt, Cash on Hand will be calculated net of issued but uncleared checks and drafts of the Company and will include checks, other wire transfers and drafts deposited or available for deposit for the account of the Company.

“Closing Payment Adjustment Amount” amount means the *sum of* the following (which may be a positive or negative number):

(A) the Cash on Hand (which may be a positive or negative number); *minus*

(B) the amount of the Company’s Indebtedness as of the Merger Closing Date; *minus*

(C) the Company Transaction-Based Amounts.

“Closing Payment” means:

(A) \$60,000,000; *plus*

(B) the Estimated Closing Payment Adjustment Amount (which may be a positive or negative number).

“Closing Payment Adjustment Statement” is defined in Section 2.5(c)(ii).

“Company Stock Certificates” is defined in Section 2.9(d).

“Company Transaction-Based Amounts” means all of the following amounts payable by the Company to third parties that were incurred by the Company but unpaid as of the Merger Closing Date in connection with the

consummation of the transactions contemplated by this Agreement (to the extent unpaid as of the Merger Closing Date): (A) all of the legal, accounting, tax, financial advisory, environmental consultants and other professional or transaction related third party costs, fees and expenses in connection with this Agreement or in investigating, pursuing or completing the transactions contemplated hereby; (B) all unpaid amounts payable to third parties in order for the Company to obtain any consents or approvals in connection with the transactions contemplated by this Agreement; (C) all payments, bonuses or severance obligations of the Company to Company Employees and directors and consultants of the Company that exist at the Effective Time which become due solely as a result of the Merger Closing; (D) payroll, employment or other Taxes, if any, required to be paid by the Company with respect to the amounts payable pursuant to clauses (A), (B) and (C); (E) the Tail Insurance; and (F) all fees, costs and expenses payable by the Company to third parties in connection with any filing or notice required to be made or given in connection with any of the transactions contemplated by this Agreement prior to the Merger Closing Date, subject, in the case of any filing fees payable under the HSR Act, to the last sentence of Section 6.1(a).

“Conversion Ratio” means the number of shares of Company Common Stock issuable upon conversion of one share of Preferred Stock, as follows:

(A) The number of shares of Company Common Stock issuable upon conversion of one share of Series A Preferred Stock (the “Series A Conversion Ratio”), which Series A Conversion Ratio is 1.0 as of the date of this Agreement;

(B) The number of shares of Company Common Stock issuable upon conversion of one share of Series B Preferred Stock (the “Series B Conversion Ratio”), which Series B Conversion Ratio is 1.246106 as of the date of this Agreement

(C) The number of shares of Company Common Stock issuable upon conversion of one share of Series C Preferred Stock (the “Series C Conversion Ratio”), which Series C Conversion Ratio is 1.0 as of the date of this Agreement; and

(D) The number of shares of Company Common Stock issuable upon conversion of one share of Series D Preferred Stock (the “Series D Conversion Ratio”), which Series D Conversion Ratio is 1.0 as of the date of this Agreement.

“Dissenting Shares” is defined in Section 2.8(a).

“Dividend Amount Per Share” means all accrued but unpaid dividends on each share of Outstanding Preferred Stock as of the Merger Closing Date, including:

(A) with respect to each share of Outstanding Series B Preferred Stock, an amount equal to eight percent (8%) *per annum* of the Series B Preference Per Share Amount from the original issue date of such share through the Merger Closing Date, compounded annually (“Series B Dividend Amount Per Share”);

(B) with respect to each share of Outstanding Series C Preferred Stock, an amount equal to eight percent (8%) *per annum* of the Series C Preference Per Share Amount from the original issue date of such share through the Merger Closing Date, compounded annually (“Series C Dividend Amount Per Share”); and

(C) with respect to each share of Outstanding Series D Preferred Stock, an amount equal to eight percent (8%) *per annum* of the Series D Preference Per Share Amount from the original issue date of such share through the Merger Closing Date, compounded annually (“Series D Dividend Amount Per Share”);

provided, that it is acknowledged that there shall be no Dividend Amount Per Share with respect to Series A Preferred Stock.

“Escrow Amount” means \$6,000,000.

“Escrow Contribution Amount Per FD Non-Dissenting Share” means an amount determined by *dividing*:

(A) the Escrow Amount; *by*

(B) the *sum* of:

(1) the aggregate number of shares of Outstanding Common Stock held by the Non-Dissenting Stockholders; *plus*

(2) the aggregate number of shares of Company Common Stock that are issuable upon the conversion of the shares of Outstanding Preferred Stock held by the Non-Dissenting Stockholders; *plus*

(3) the aggregate number of shares of Company Common Stock purchasable under or otherwise subject to Outstanding Options and Outstanding Common Warrants immediately prior to the Effective Time; *plus*

(4) the aggregate number of shares of Company Common Stock issuable upon conversion of all shares of Company Preferred Stock purchasable under or otherwise subject to Outstanding Preferred Warrants immediately prior to the Effective Time.

“Escrow FD Number” means an amount equal to the *sum* of:

(A) the aggregate number of shares of Outstanding Common Stock held by the Non-Dissenting Stockholders immediately prior to the Effective Time; *plus*

(B) the aggregate number of shares of Company Common Stock that are issuable upon the conversion of the shares of Outstanding Preferred Stock held by the Non-Dissenting Stockholders immediately prior to the Effective Time; *plus*

(C) the aggregate number of shares of Company Common Stock purchasable under or otherwise subject to Outstanding Options and Outstanding Common Warrants immediately prior to the Effective Time; *plus*

(D) the aggregate number of shares of Company Common Stock issuable upon conversion of all shares of Company Preferred Stock purchasable under or otherwise subject to Outstanding Preferred Warrants immediately prior to the Effective Time.

“Estimated Closing Payment Adjustment Amount” is defined in Section 2.5(c)(i).

“Final Closing Payment Adjustment Amount” is defined in Section 2.5(c)(iv).

“Full Initial Earn-Out Amount” means \$35,000,000.

“Fully Diluted Company Share Number” means the *sum* of, without duplication:

(A) the aggregate number of shares of Outstanding Common Stock immediately prior to the Effective Time; *plus*

(B) the aggregate number of shares of Company Common Stock that are issuable upon the conversion of the shares of Outstanding Preferred Stock immediately prior to the Effective Time; *plus*

(C) the aggregate number of shares of Company Common Stock purchasable under or otherwise subject to Outstanding Options and Outstanding Common Warrants immediately prior to the Effective Time; *plus*

(D) the aggregate number of shares of Company Common Stock issuable upon conversion of Company Preferred Stock purchasable under or otherwise subject to Outstanding Preferred Warrants immediately prior to the Effective Time.

For purposes of clarification, no shares of Company Capital Stock owned by Ultimate Parent, Parent, Merger Sub, the Company (including all shares of Company Capital Stock held in treasury) or any direct or indirect Subsidiary of Ultimate Parent, Parent, Merger Sub or the Company shall be included in the calculation of the Fully Diluted Company Share Number.

“Grossed Up Closing Payment” means the *sum of*:

- (A) the Closing Payment; *plus*
- (B) the Aggregate Exercise Amount.

“Initial Earn-Out Amount” means:

- (A) if an Initial Earn-Out Trigger Event occurs at any time before the Initial Earn-Out Outside Date, the Full Initial Earn-Out Amount, and
- (B) if an Initial Earn-Out Trigger Event does not occur prior to the Initial Earn-Out Outside Date, the Reduced Initial Earn-Out Amount.

“Initial Earn-Out Amount Per FD Share” means the *quotient of* (A) Initial Earn-Out Amount, *divided by* (B) the Fully Diluted Company Share Number.

“Initial Earn-Out Outside Date” means the date that is thirty (30) months after the Merger Closing Date.

“Initial Earn-Out Trigger Event” means the earliest to occur, following the Merger Closing and through the Initial Earn-Out Outside Date, of:

(A) the time at which the Company, the Ultimate Parent, Parent and/or their Affiliates have recognized an aggregate of \$10,000,000 of Revenue during the period commencing with the Investment Closing Date through and including the Initial Earn-Out Outside Date (the “\$10,000,000 Revenue Target”);

(B) the consummation of (1) any transaction or series of related transactions (including, without limitation, any reorganization, share exchange, consolidation or merger) (x) in which the holders of the outstanding capital stock of the Ultimate Parent, Parent, Surviving Corporation or any of the Specified Parent Affiliates immediately before the first such transaction do not, immediately after any other such transaction, retain stock or other equity interests representing at least a majority of the voting power of the surviving entity of such transaction or (y) in which at least a majority of the outstanding capital stock of the Ultimate Parent, Parent, Surviving Corporation or any Specified Parent Affiliate is transferred; or (2) any sale, transfer or assignment of (x) all or

substantially all of the assets of the Ultimate Parent, Parent, Surviving Corporation or any Specified Affiliate or (y) any of the material Specified Assets; provided, that sale, transfer or assignment for purposes of this clause (B)(2) will not include (i) any sale of any Products in the ordinary course of business, (ii) any grant of a license to or entrance into any license with any Person as long as all of the consideration received by the Ultimate Parent, Parent, Surviving Corporation and the Specified Parent Affiliates from the license of the applicable Product or other Specified Asset is included in Revenue or (iii) any pledge, grant of any security interest, or grant of any other Encumbrance to any Person on all or substantially all of such assets contemplated under (x) or any of such material Specified Assets under (y) to secure obligations under any credit facility, loan transaction, or other commercial finance arrangement with such Person to the extent that such Person has not sold, disposed of, or taken title to such assets; provided, further, that any transaction or transactions described in this clause (B) that are solely among Ultimate Parent, Parent, the Surviving Corporation, the Specified Parent Affiliates and/or any of their respective Affiliates and are not effected for the purpose of frustrating the rights of the Securityholders or the payment of the Aggregate Merger Consideration will not constitute an Initial Earn-Out Change of Control Trigger Event (the events in this clause (B), an “Initial Earn-Out Change of Control Trigger Event”); and

(C) any breach of any of the provisions of Section 2.5(e)(viii) by Ultimate Parent, Parent, Surviving Corporation or any of their Affiliates (the event in this clause (C), an “Initial Earn-Out Breach Trigger Event”).

“Letter of Transmittal” is defined in Section 2.9(b).

“Notice of Closing Payment Adjustment Disagreement” is defined in Section 2.5(c)(ii).

“Notice of Quarterly Revenue Disagreement” is defined in Section 2.5(d)(i).

“Notice of 2020 Earn-Out Disagreement” is defined in Section 2.5(e)(ii).

“Outstanding Capital Stock” means:

(A) all shares of Company Common Stock issued and outstanding immediately prior to the Effective Time other than those referred to in Section 2.6(a)(vi) (the “Outstanding Common Stock”); *plus*

(B) all shares of Company Preferred Stock outstanding immediately prior to the Effective Time other than those referred to in Section 2.6(a)(vi) (the “Outstanding Preferred Stock”), including:

(1) all shares of Series A Preferred Stock outstanding immediately prior to the Effective Time (“Outstanding Series A Preferred Stock”);

(2) all shares of Series B Preferred Stock outstanding immediately prior to the Effective Time (“Outstanding Series B Preferred Stock”);

(3) all shares of Series C Preferred Stock outstanding immediately prior to the Effective Time (“Outstanding Series C Preferred Stock”); and

(4) all shares of Series D Preferred Stock outstanding immediately prior to the Effective Time (“Outstanding Series D Preferred Stock”).

“Outstanding Common Warrants” is defined in Section 2.7(c).

“Outstanding Options” is defined in Section 2.7(a).

“Outstanding Preferred Warrants” is defined in Section 2.7(d).

“Outstanding Warrants” means Outstanding Common Warrants and Outstanding Preferred Warrants.

“Payment Agent” is defined in Section 2.9(a).

“Payment Fund” is defined in Section 2.9(a).

“Preference Per Share Amount” means an amount per share of Outstanding Preferred Stock as follows:

(A) for Series A Preferred Stock, \$0.25 (the “Series A Preference Per Share Amount”);

(B) for Series B Preferred Stock, the *sum of*(x) \$1.04 *plus* (y) the Series B Dividend Amount Per Share (the “Series B Preference Per Share Amount”);

(C) for Series C Preferred Stock, the *sum of*(x) \$1.72 *plus* (y) the Series C Dividend Amount Per Share (the “Series C Preference Per Share Amount”); and

(D) for Series D Preferred Stock, the *sum of*(x) \$1.84 *plus* (y) the Series D Dividend Amount Per Share (the “Series D Preference Per Share Amount”).

“Products” means all of:

(A) (1) the Company’s products (including instruments and cartridges) as in existence at the time of the Merger Closing Date (the “Closing Date Products”); (2) all products that are developed by, or on behalf of, the Ultimate Parent, Parent or the Surviving Corporation or any of their Affiliates after the Merger Closing Date (i) that are developed or derived from, or arise out of, any of the Closing Date Products (including instruments and cartridges), (ii) that utilize or incorporate any of the Company IP or other Intellectual Property owned by the Company as in existence at the time of the Merger Closing Date (the “Closing Date Company IP”) or (iii) that utilize or incorporate any Intellectual Property and/or Intellectual Property Rights developed by, or on behalf of, the Ultimate Parent, Parent or the Surviving Corporation or any of their Affiliates after the Merger Closing Date, where such Intellectual Property or Intellectual Property Rights are developed or derived from, or arise out of, any of the Closing Date Company IP; and (3) the antibodies, buffers, multiplex protein controls and calibrators physically included in any such cartridges or intended to be exclusively used in conjunction with such cartridges; and

(B) (1) the automated multiplex instruments and cartridges for such automated multiplex instruments of Parent and its Affiliates used for protein detection that do not otherwise fall under paragraph (A)(2) above and that were developed with the assistance of employees of the Company who remain employed by the Surviving Corporation, the Ultimate Parent, Parent or any of their Affiliates following the Merger Closing Date; and (2) the antibodies, buffers, multiplex protein controls and calibrators physically included in any such cartridges or intended to be exclusively used in conjunction with such cartridges;

provided that for purposes of determining the 2020 Earn-Out Amount, the definition of Products shall be limited to the products set forth in clause (A) only.

“Quarterly Revenue Statement” is defined in Section 2.5(d)(i).

“Reduced Initial Earn-Out Amount” means the *product* of:

(A) \$35,000,000 *multiplied by*

(B) the *quotient* of (1) the aggregate amount of Revenue recognized by the Company, the Ultimate Parent, Parent and/or their Affiliates during the period commencing with the Investment Closing Date through and including the Initial Earn-Out Outside Date, *divided by* (2) \$10,000,000;

provided, that the Reduced Initial Earn-Out Amount will not exceed \$35,000,000.

“Residual Per FD Share Amount” means the *quotient* of: (A) the Aggregate Residual Amount, *divided by* (B) the Fully Diluted Company Share Number.

“Revenue” means all gross revenue from the sale, lease, license or rental of any Product (and shall include all amounts paid or payable to Ultimate Parent, Parent, Surviving Corporation, or any of their Affiliates in respect of any rights or licenses granted to any Person to any of the Specified Assets including, without limitation, all upfront, royalty, commercialization, territory, minimums, guarantees, milestone and other payments) and all revenue from the performance of any Service, all as determined in accordance with GAAP.

“Service” means any customization or other service performed in connection with, or related to, any of the Products including, without limitation, any assay development or other customization of the assays for use with the Products.

“Specified Assets” means (A) as used in the definitions of “Initial Earn-Out Trigger Event,” “Revenue” and “Specified Parent Affiliates,” any of the Products specified in paragraphs (A)(1), (A)(2) and (B) of the definition of “Products,” any rights to any of such Products or any Intellectual Property or Intellectual Property Rights covering such Products, whether such Intellectual Property or Intellectual Property Rights are in existence at the time of the Merger Closing Date or are developed by, or on behalf of, the Ultimate Parent, Parent or the Surviving Corporation or any of their Affiliates after the Merger Closing Date, and (B) as used in Section 2.5(e)(vii), the Products specified in paragraphs (A)(1) and (A)(2) of the definition of “Products,” any rights to any of such Products or any Intellectual Property or Intellectual Property Rights covering such Products, whether such Intellectual Property or Intellectual Property Rights are in existence at the time of the Merger Closing Date or are developed by, or on behalf of, the Ultimate Parent, Parent or the Surviving Corporation or any of their Affiliates after the Merger Closing Date; provided, that, in any case, Specified Assets does not and will not include any Products referred to in paragraphs (A)(3) and (B)(2) of the definition of “Products,” whether or not incorporated into or used with any Product.

“Specified Parent Affiliates” means any Affiliate of Ultimate Parent, Parent or the Surviving Corporation that holds any Specified Assets.

“Stockholders Expense Escrow Contribution Amount Per FD Non-Dissenting Share” means an amount determined by *dividing*:

- (A) the Stockholder Expense Fund Initial Amount; *by*
- (B) the Escrow FD Number.

“2020 Earn-Out Amount” means an amount equal to the *product* of:

(A) fifty percent (50%) *multiplied by*

(B) the positive difference, if any, of:

(1) the amount of Revenue recognized by the Surviving Corporation, the Ultimate Parent, Parent and/or their Affiliates during the 2020 calendar year, *less*

(2) \$100,000,000.

“2020 Earn-Out Amount Per FD Share” means the *quotient* of: (A) the 2020 Earn-Out Amount *divided by* (B) the Fully Diluted Company Share Number.

“2020 Earn-Out Statement” is defined in Section 2.5(e)(ii).

(b) Aggregate Merger Consideration.

(i) Aggregate Merger Consideration. Notwithstanding anything in this Agreement to the contrary, the total amounts payable by Parent under this Agreement in respect of the Outstanding Capital Stock, Outstanding Options and Outstanding Warrants in connection with the Merger shall not exceed the Aggregate Merger Consideration and shall not be less than the Aggregate Merger Consideration. “Aggregate Merger Consideration” means:

(A) The Closing Payment, *plus*

(B) The Closing Payment Adjustment True-Up Amount, *plus*

(C) The Initial Earn-Out Amount; *plus*

(D) The 2020 Earn-Out Amount.

(ii) Illustration. Solely for illustration purposes, attached hereto as Schedule 2.5(b)(ii) is an illustration of the computation and allocation of the Aggregate Merger Consideration based on the assumptions set forth therein. To the extent of any conflict between Schedule 2.5(b)(ii) and this Agreement, the terms of this Agreement shall control and prevail.

(iii) Payment Agent. The Aggregate Merger Consideration shall be determined and paid as set forth in this Agreement. From amounts paid to the Payment Agent, the Payment Agent shall then pay to each Securityholder such Securityholder’s share thereof. Each Securityholder’s share of the Aggregate Merger Consideration shall be determined in accordance with Sections 2.5, 2.6 and 2.7; provided, however, that (A) in no event will the total amount payable by Parent (including the amounts payable for the Dissenting Shares) exceed the Aggregate Merger Consideration even if applicable of the per share computations might result in additional amounts (in such event, such computations shall merely be used to determine the relevant portions of the Aggregate Merger Consideration otherwise payable) and (B) in no event will the total amount payable by Parent be

less than the Aggregate Merger Consideration even if applicable of the per share computations might result in lesser amounts (in such event, such computations shall merely be used to determine the relevant portions of the Aggregate Merger Consideration otherwise payable). Once amounts have been paid by Parent to the Payment Agent, Parent shall have no further obligations with respect thereto, including to assure that the Payment Agent pays the applicable amount to each Securityholder.

(iv) Closing Payment. With respect to the Closing Payment:

(A) At the Merger Closing, Parent shall pay in immediately available funds the Closing Payment less the Escrow Amount and the Stockholder Expense Fund Initial Amount to the Payment Agent. The Payment Agent shall then pay to each Securityholder such Securityholder's share thereof as determined in accordance with Sections 2.5, 2.6 and 2.7.

(B) At the Merger Closing, Parent shall pay in immediately available funds the Escrow Amount to the Escrow Agent, which shall be held as part of the Escrow Fund. The Escrow Fund shall be held and disbursed by the Escrow Agent in accordance with the terms of this Agreement and the terms of the Escrow Agreement; shall be held as a trust fund and shall not be subject to any lien, attachment, trustee process or other judicial process of any creditor of any Person; and shall be held and disbursed solely for the purposes and in accordance with the terms of this Agreement and the Escrow Agreement. Any payments to or for the account of the Securityholders from the Escrow Fund shall be paid to each Securityholder based on such Securityholder's share thereof as determined in accordance with Sections 2.5, 2.6 and 2.7. Once the Escrow Amount has been paid by Parent to the Escrow Agent, Parent shall have no further obligations to assure that the Escrow Agent pays the applicable amount to each Securityholder.

(C) At the Merger Closing, Parent shall pay in immediately available funds the Stockholder Expense Fund Initial Amount to the Stockholder Expense Fund Agent, which shall be held as part of the Stockholder Expense Fund. The Stockholder Expense Fund shall be held and disbursed by the Stockholder Expense Fund Agent in accordance with the terms of the Stockholder Expense Fund Agreement. Any payments to or for the account of the Securityholders from the Stockholder Expense Fund shall be paid to each Securityholder based on such Securityholder's share thereof as determined in accordance with Sections 2.5, 2.6 and 2.7. Once the Stockholder Expense Fund Initial Amount has been paid by Parent to the Stockholder Expense Fund Agent, Parent shall have no further obligations with respect thereto, including to assure that the Stockholder Expense Fund Agent pays the applicable amount to each Securityholder.

(v) Closing Payment Adjustment Amount True-Up. After the Merger Closing, the Closing Payment Adjustment Amount shall be trueed-up and the Closing Payment Adjustment True-Up Amount shall be paid in accordance with Section 2.5(c) below.

(vi) Initial Earn-Out Amount. After the Merger Closing, the Initial Earn-Out Amount, if any, shall be determined and paid to the Payment Agent in accordance with Section 2.5(d) below. The Payment Agent shall then pay to each Securityholder such Securityholder's share thereof as determined in accordance with Sections 2.5, 2.6 and 2.7.

(vii) 2020 Earn-Out Amount. After the Merger Closing, the 2020 Earn-Out Amount, if any, shall be determined and paid to the Payment Agent in accordance with Section 2.5(e) below. The Payment Agent shall then pay to each Securityholder such Securityholder's share thereof as determined in accordance with Sections 2.5, 2.6 and 2.7.

(c) Closing Payment Adjustment Amount

(i) Estimated Closing Payment Adjustment Statement. Not later than three (3) Business Days before the Merger Closing Date, the Company shall deliver to Parent a statement prepared in good faith by the Company of the estimated Closing Payment Adjustment Amount (including calculations of each of estimated Cash on Hand, Indebtedness and Company Transaction-Based Amounts) (the "Estimated Closing Payment Adjustment Amount").

(ii) Closing Payment Adjustment Statement. Not later than sixty (60) days after the Merger Closing Date, Parent shall prepare and deliver to the Stockholders' Agent a statement for the detailed calculation of the actual Closing Payment Adjustment Amount (including calculations of each of Cash on Hand, Indebtedness and Company Transaction-Based Amounts) (the "Closing Payment Adjustment Statement"). The Closing Payment Adjustment Statement shall become final and binding upon Parent, the Stockholders' Agent and the Securityholders on the date that is the earlier of (A) the date that the Stockholders' Agent delivers written notice to Parent of the Stockholders' Agent's agreement to the Closing Payment Adjustment Statement and (B) the date that is forty-five (45) days following receipt of the Closing Payment Adjustment Statement by the Stockholders' Agent unless the Stockholders' Agent gives written notice of the Stockholders' Agent's disagreement ("Notice of Closing Payment Adjustment Disagreement") to Parent prior to such date. The Notice of Closing Payment Adjustment Disagreement shall specify in reasonable detail the items in the Closing Payment Adjustment Statement with which the Stockholders' Agent disagrees and the Stockholders' Agent proposed computation of the Closing Payment Adjustment Amount based on such items.

(iii) Finalization. If a Notice of Closing Payment Adjustment Disagreement is received by Parent in a timely manner, then the Closing Payment Adjustment Statement (as revised in accordance with Section 2.5(f), if applicable)

shall become final and binding on Parent, the Stockholders' Agent and the Securityholders on the earlier of (A) the date upon which the Stockholders' Agent and Parent agree in writing with respect to all matters specified in the Notice of Closing Payment Adjustment Disagreement and (B) the date upon which the Closing Payment Adjustment Amount is determined by the Arbitrator in accordance with Section 2.5(f).

(iv) Closing Payment Adjustment True-Up Amount. Within five (5) Business Days after final determination of the final Closing Payment Adjustment Amount (the "Final Closing Payment Adjustment Amount"), a true-up payment shall be made to or by Parent as follows (as applicable, the "Closing Payment Adjustment True-Up Amount" which will be a negative number if amounts are payable to Parent and a positive number if amounts are payable by Parent):

(A) if the Final Closing Payment Adjustment Amount is less than the Estimated Closing Payment Adjustment Amount, then the Closing Payment will be decreased by the difference between the Estimated Closing Payment Adjustment Amount and the Final Closing Payment Adjustment Amount and, as a result, Parent and the Stockholders' Agent shall promptly deliver joint written instructions to the Escrow Agent, instructing the Escrow Agent to disburse from the Escrow Fund to Parent an amount of cash equal to the amount of such difference, and

(B) if the Final Closing Payment Adjustment Amount is greater than the Estimated Closing Payment Adjustment Amount, then the Closing Payment will be increased by the difference between the Final Closing Payment Adjustment Amount and the Estimated Closing Payment Adjustment Amount and, as a result, Parent shall pay to the Payment Agent an amount of cash equal to the amount of such difference (such aggregate amount, the "Additional Closing Payment Adjustment Payment" and the Additional Closing Payment Adjustment Amount divided by the Fully Diluted Company Share Number, the "Additional Closing Payment Adjustment Payment Per FD Share"). The Payment Agent shall then pay to each Securityholder such Securityholder's share thereof as determined in accordance with Sections 2.5, 2.6 and 2.7. Notwithstanding the foregoing, from any such amounts otherwise payable with respect to Outstanding Options, such amounts may be paid in accordance with Section 2.7(a)(vi).

(d) Initial Earn-Out Amount.

(i) Quarterly Revenue Statement. Commencing with the calendar quarter in which the Merger Closing Date occurs until the calendar quarter in which the Initial Earn-Out Outside Date occurs, within forty-five (45) days after the end of each calendar quarter, Parent shall provide the Stockholders' Agent with a written report setting forth the cumulative amount of Revenues recognized

during such calendar quarter together with reasonably detailed information related to the calculation of such Revenue (the “Quarterly Revenue Statement”); provided, that the initial Quarterly Revenue Statement shall also include Revenues recognized by the Company after the Investment Closing Date through the end of the calendar quarter in which the Merger Closing Date occurs. The Quarterly Revenue Statement shall become final and binding upon Parent, the Stockholders’ Agent and the Securityholders on the date that is the earlier of (A) the date that the Stockholders’ Agent delivers written notice to Parent of the Stockholders’ Agent’s agreement to the Quarterly Revenue Statement and (B) the date that is forty-five (45) days following receipt of the Quarterly Revenue Statement by the Stockholders’ Agent, unless the Stockholders’ Agent gives written notice of the Stockholders’ Agent’s disagreement (“Notice of Quarterly Revenue Disagreement”) to Parent prior to such date. The Notice of Quarterly Revenue Disagreement shall specify in reasonable detail the items in the Quarterly Revenue Statement with which the Stockholders’ Agent disagrees, and the Stockholders’ Agent’s proposed computation of the Revenue for the period subject to such Quarterly Revenue Statement based on such items; provided, that, to the extent a Quarterly Revenue Statement does not provide sufficiently detailed information for the Stockholders’ Agent to compute Revenue for the applicable period, then Stockholders’ Agent may submit a Notice of Quarterly Revenue Disagreement without such computation.

(ii) Finalization. If a Notice of Quarterly Revenue Disagreement is received by Parent in a timely manner, then the Quarterly Revenue Statement (as revised in accordance with Section 2.5(f), if applicable) shall become final and binding on Parent, the Stockholders’ Agent and the Securityholders on the earlier of (A) the date upon which the Stockholders’ Agent and Parent agree in writing with respect to all matters specified in the Notice of Quarterly Revenue Disagreement and (B) the date upon which the final Revenue for the period subject to such Quarterly Revenue Statement is finally determined by the Arbitrator in accordance with Section 2.5(f).

(iii) Payment of Full Initial Earn-Out Amount upon achievement of the \$10,000,000 Revenue Target. Within five (5) Business Days after the earlier of (A) notice from Parent to the Stockholders’ Agent that the \$10,000,000 Revenue Target has been reached or (B) it has been finally determined that the \$10,000,000 Revenue Target has been reached, Parent shall pay the Full Initial Earn-Out Amount to the Payment Agent. The Payment Agent shall then pay to each Securityholder such Securityholder’s share thereof as determined in accordance with Sections 2.5, 2.6 and 2.7. Notwithstanding the foregoing, from any such amounts otherwise payable with respect to Outstanding Options, such amounts may be paid in accordance with Section 2.7(a)(vi).

(iv) Payment of Earn-Out Amount Upon a Change of Control. If an Initial Earn-Out Change of Control Trigger Event has occurred at any time prior to the Earn-Out Outside Date, then within five (5) Business Days after such event has occurred, Parent shall pay the Full Initial Earn-Out Amount to the Payment

Agent. The Payment Agent shall then pay to each Securityholder such Securityholder's share thereof as determined in accordance with Sections 2.5, 2.6 and 2.7. Notwithstanding the foregoing, from any such amounts otherwise payable with respect to Outstanding Options, such amounts may be paid in accordance with Section 2.7(a)(vi).

(v) Payment of Earn-Out Amount For Breach of Covenant. If an Initial Earn-Out Breach Trigger Event has occurred at any time prior to the Earn-Out Outside Date and Stockholders' Agent discovers such Initial Earn-Out Breach Trigger Event prior to the Earn-Out Outside Date, then Stockholders' Agent must give written notice to Parent of the same (the "**Breach Notice**"). Parent will have a period of ten (10) days following receipt of the Breach Notice to cure such breach (the "**Cure Period**"). If Parent has not cured such breach as of the last day of the Cure Period, then Parent shall pay the Full Initial Earn-Out Amount to the Payment Agent within five (5) Business Days of the last day of the Cure Period. The Payment Agent shall then pay to each Securityholder such Securityholder's share thereof as determined in accordance with Sections 2.5, 2.6 and 2.7. Notwithstanding the foregoing, from any such amounts otherwise payable with respect to Outstanding Options, such amounts may be paid in accordance with Section 2.7(a)(vi). If (A) an Initial Earn-Out Breach Trigger Event occurred prior to the Earn-Out Outside Date, (B) Stockholders' Agent first discovers such Initial Earn-Out Breach Trigger Event after the Earn-Out Outside Date, and (C) the Full Initial Earn-Out Amount was not otherwise paid or payable, then, subject to the applicable statute of limitations and in no event more than three years from the breach that gives rise to such Initial Earn-Out Breach Trigger Event, the Stockholders' Agent must give prompt written notice to Parent and the Full Initial Earn-Out Amount (or the portion thereof that had not been previously paid by Parent under Section 2.5(d)(vi)) will be payable by Parent in the manner set forth above. Subject to Section 11.4, payment by Parent of the Full Initial Earn-Out Amount (or the portion thereof that had not been previously paid by Parent under Section 2.5(d)(vi)) will be the sole and exclusive remedy of Stockholders' Agent and the Securityholders and their respective Affiliates with respect to any Initial Earn-Out Breach Trigger Event. Nothing set forth in this Section 2.5(d)(v) shall impair, restrict or eliminate any of the rights or remedies available to the Stockholders' Agent or the Securityholders for breach of Section 2.5(e)(viii) following the Initial Earn-Out Outside Date with respect to the period following the Initial Earn-Out Outside Date.

(vi) Payment of Reduced Earn-Out Amount. If no Initial Earn-Out Trigger Event has occurred by the end of the Initial Earn-Out Outside Date, then within five (5) Business Days after the calculation of Revenues has been finalized for the calendar quarter in which the Initial Earn-Out Outside Date occurs as set above, Parent shall pay the Reduced Initial Earn-Out Amount to the Payment Agent. The Payment Agent shall then pay to each Securityholder such Securityholder's share thereof as determined in accordance with Sections 2.5, 2.6 and 2.7. Notwithstanding the foregoing, from any such amounts otherwise payable with respect to Outstanding Options, such amounts may be paid in accordance with Section 2.7(a)(vi).

(vii) Initial Earn-Out Only Payable Once. For the avoidance of doubt, the Initial Earn-Out Amount is only payable, if at all, one time, and subsequent Initial Earn-Out Trigger Events that occur following the first Initial Earn-Out Trigger Event will not require any additional payments, except and only to the extent that the same such event is covered by a different provision of this Agreement.

(e) 2020 Earn-Out Amount.

(i) Interim Quarterly Information Reports. Within forty-five (45) days after the end of each of the calendar quarters in 2020, solely for information purposes, Parent shall provide the Stockholders' Agent with a written report setting forth the amount of Revenue recognized during such calendar quarter, together with reasonably detailed information related to the calculation of such Revenue; provided that the failure of the Stockholders' Agent to dispute or otherwise respond to any such information or report shall in no way affect the rights of the Stockholders' Agent to dispute the occurrence of the calculation of Revenue or the 2020 Earn-Out Amount or any of its rights under this Section 2.5(e).

(ii) 2020 Earn-Out Statement. Not later than June 30, 2021, Parent shall deliver to the Stockholders' Agent a statement for the detailed calculation of the 2020 Earn-Out Amount (the "2020 Earn-Out Statement"). The 2020 Earn-Out Statement shall become final and binding upon Parent, the Stockholders' Agent and the Securityholders on the date that is the earlier of (A) the date that the Stockholders' Agent delivers written notice to Parent of the Stockholders' Agent's agreement to the 2020 Earn-Out Statement and (B) the date that is forty-five (45) days following receipt of the 2020 Earn-Out Statement by the Stockholders' Agent unless the Stockholders' Agent gives written notice of the Stockholders' Agent's disagreement ("Notice of 2020 Earn-Out Disagreement") to Parent prior to such date. The Notice of 2020 Earn-Out Disagreement shall specify in reasonable detail the items in the 2020 Earn-Out Statement with which the Stockholders' Agent disagrees, and the Stockholders' Agent's proposed computation of the 2020 Earn-Out Amount based on such items; provided, that, to the extent the 2020 Earn-Out Statement does not provide sufficiently detailed information for the Stockholders' Agent to compute the 2020 Earn-Out Amount, then Stockholders' Agent may submit a Notice of 2020 Earn-Out Disagreement without such computation.

(iii) Finalization. If a Notice of 2020 Earn-Out Disagreement is received by Parent in a timely manner, then the 2020 Earn-Out Statement (as revised in accordance with Section 2.5(f), if applicable) shall become final and binding on Parent, the Stockholders' Agent and the Securityholders on the earlier of (A) the date upon which the Stockholders' Agent and Parent agree in writing

with respect to all matters specified in the Notice of 2020 Earn-Out Disagreement and (B) the date upon which the final 2020 Earn-Out Amount is determined by the Arbitrator in accordance with Section 2.5(f).

(iv) 2020 Revenues Less than \$100,000,000. If the aggregate amount of Revenue recognized by the Surviving Corporation, the Ultimate Parent, Parent and/or their Affiliates during the 2020 calendar year does not exceed \$100,000,000, then no 2020 Earn-Out Amount will be payable.

(v) 2020 Revenues More than \$100,000,000 but \$200,000,000 or Less. If the aggregate amount of Revenue recognized by the Surviving Corporation, the Ultimate Parent, Parent and/or their Affiliates during the 2020 calendar year exceeds \$100,000,000 but equals or is less than \$200,000,000, Parent shall pay the 2020 Earn-Out Amount to the Payment Agent without interest within five (5) Business Days after the 2020 Earn-Out Amount has been finally determined in accordance with this Section 2.5(e). The Payment Agent shall then pay to each Securityholder such Securityholder's share thereof as determined in accordance with Sections 2.5, 2.6 and 2.7. Notwithstanding the foregoing, from any such amounts otherwise payable with respect to Outstanding Options, such amounts may be paid in accordance with Section 2.7(a)(vi).

(vi) 2020 Revenues More than \$200,000,000. If the aggregate amount of Revenue recognized by the Surviving Corporation, the Ultimate Parent, Parent and/or their Affiliates during the 2020 calendar year exceeds \$200,000,000, then, (A) Parent shall pay \$50,000,000 to the Payment Agent without interest within five (5) Business Days after the 2020 Earn-Out Amount has been finally determined in accordance with this Section 2.5(e) and (B) the amount of the 2020 Earn-Out Amount that exceeds \$50,000,000 shall be paid in eight (8) equal installments without interest, and each such installment payment shall be paid by Parent to the Payment Agent within five (5) Business Days after the end of each of the eight (8) calendar quarters starting with the end of calendar quarter in which the 2020 Earn-Out Amount has been finally determined in accordance with this Section 2.5(e) or, if applicable, Section 2.5(f). In each such case, the Payment Agent shall then pay to each Securityholder such Securityholder's share thereof as determined in accordance with Sections 2.5, 2.6 and 2.7. Notwithstanding the foregoing, from any such amounts otherwise payable with respect to Outstanding Options, such amounts may be paid in accordance with Section 2.7(a)(vi).

(vii) Restrictions on Assignment of Specified Assets. Notwithstanding any other provision set forth herein, until January 1, 2021, none of the Ultimate Parent, Parent, the Surviving Corporation or any of their Affiliates shall, directly or indirectly, sell, transfer or assign any of the Specified Assets (whether by merger, consolidation, share exchange, sale, transfer or assignment of equity interests or assets or otherwise) unless (x) all of the Specified Assets are sold, transferred and assigned to the same Person, and (y) such Person expressly assumes all of the obligations of Ultimate Parent, Parent, the Surviving

Corporation and their Affiliates under this Agreement with respect to the 2020 Earn-Out Amount (including, without limitation, all of such obligations under this Section 2.5(e)) in writing with the Stockholders' Agent in form and substance satisfactory to the Stockholders' Agent (which consent shall not be unreasonably withheld); provided, that, this Section 2.5(e)(vii) will not be applicable to (i) any sale of any Products in the ordinary course of business, (ii) any grant of a license to or entrance into any license with any Person as long as all of the consideration received by the Ultimate Parent, Parent, Surviving Corporation and the Specified Parent Affiliates from the license of the applicable Specified Assets is included in Revenue, (iii) any pledge, grant of any security interest, or grant of any other Encumbrance to any Person on any of the Specified Assets to secure obligations under any credit facility, loan transaction, or other commercial finance arrangement with such Person to the extent that such Person has not sold, disposed of, or taken title to any of such Specified Assets, or (iii) any transaction or transactions that are solely among Ultimate Parent, Parent, the Surviving Corporation, the Specified Parent Affiliates and/or any of their respective Affiliates and that are not effected for the purpose of frustrating the rights of the Securityholders or the payment of the 2020 Earn-Out Amount.

(viii) Certain Earn-Out Obligations and Restrictions. Ultimate Parent, Parent, Surviving Corporation and each of their Affiliates shall operate the Company's business after the Merger Closing Date in a commercially reasonable manner; provided, that such entities will have no obligation to take any actions or operate such business in any manner that would be materially adverse to the operations of their existing and future other businesses that are unrelated to the Products. None of Ultimate Parent, Parent, Surviving Corporation or any of their Affiliates shall take any actions with the primary intent of limiting the 2020 Earn-Out Amount.

(f) Certain Disputes.

(i) Referral to Arbitrator. During the first twenty (20) days following the date upon which Parent receives a Notice of Closing Payment Adjustment Disagreement, Notice of Quarterly Revenue Disagreement or Notice of 2020 Earn-Out Disagreement, as applicable, in a timely manner, the Stockholders' Agent and Parent shall attempt in good faith to resolve the differences that they may have with respect to the matters set forth in the applicable Notice. If at the end of such twenty (20) day period Parent and the Stockholders' Agent have not reached agreement on such matters, the matters that remain in dispute may be submitted to Grant Thornton, LLP, Baker Tilly Virchow Krause, LLP, McGladrey LLP or BDO USA, LLP as long as, at such time, such firm and its Affiliates have not provided any services to Ultimate Parent, Parent, Surviving Corporation or any of their Affiliates since January 1, 2010 (the "Approved Arbitrators") (as mutually agreed upon in good faith by Parent and the Stockholders' Agent) for review and resolution, and if the Approved Arbitrator to which the matters that remain in dispute is unable to serve in such capacity, Parent and the Stockholders' Agent, in good faith, shall mutually agree upon an

independent public accounting firm to serve in such capacity; provided further that in the event that Parent and the Stockholders' Agent are unable to mutually agree upon an Approved Arbitrator within ten (10) days after the end of such twenty (20) day period or an independent public accounting firm within ten (10) days after the date that either party discovers that an Approved Arbitrator is unable to serve in such capacity, Parent and the Stockholders' Agent shall each select an independent public accounting firm that is not an Approved Arbitrator within five (5) days thereafter and the two independent public accounting firms shall mutually agree upon a final independent public accounting firm that is not an Approved Arbitrator within ten (10) days after being selected (the final independent public accounting firm shall be referred to herein as the "Arbitrator").

(ii) Arbitrator Determination. As promptly as practicable (but in no event more than sixty (60) days) after the retention of the Arbitrator, Parent and the Stockholders' Agent shall each prepare and submit a presentation to the Arbitrator. As soon as practicable thereafter, the Arbitrator shall determine the amount of each item in dispute and prepare a calculation of the Closing Payment Adjustment Amount, Revenue for the period applicable to the Quarterly Revenue Statement or the 2020 Earn-Out Amount, as applicable, which shall include an explanation in writing of the Arbitrator's reasons for the determinations set forth therein. The Arbitrator shall act as an arbitrator and shall address only those items in dispute and for each item it may not assign a value greater than the greatest value for such item claimed by either Parent or the Stockholders' Agent or a value smaller than the smallest value for such item claimed by either Parent or the Stockholders' Agent. For purposes of clarification, the Arbitrator will have no authority to make any determinations of compliance by the parties hereto with any covenants set forth in this Agreement and may only calculate the Closing Payment Adjustment Amount, Revenue and the 2020 Earn-Out Amount based only on the provisions set forth in this Agreement. The decision of the Arbitrator shall be final and binding on Parent, the Stockholders' Agent and the Securityholders.

(iii) Fees. The costs, fees and expenses of the Arbitrator in connection with the Arbitrator's review pursuant to this Section 2.5(f) (including reasonable attorney's fees of the Arbitrator) shall be paid one-half by Parent and one-half by the Stockholders' Agent.

(g) Access. For the purposes of complying with the terms set forth in this Section 2.5, each of Parent and the Stockholders' Agent shall cooperate with, and make available to, the other party and their respective representatives all information, records, data and working papers, and shall permit access to its facilities and personnel (including the Continuing Employees), as may reasonably be required in connection with the preparation and analysis of the determination of the Closing Payment Adjustment Amount, Revenue for the Initial Earn-Out Amount or the 2020 Earn-Out Amount and the resolution of any disputes related thereto.

(h) Senior Indebtedness. Ultimate Parent, Parent, the Company and Stockholders' Agent acting on behalf of the Securityholders each hereby covenants and agrees that the payment of any 2020 Earn-Out Amount in excess of \$50,000,000 (the "Excess Earn-Out Payments") will be junior in right of payment, to the extent and in the manner hereinafter set forth, to the prior payment of Senior Indebtedness (as defined below) outstanding on the date hereof or hereafter incurred. For purposes of this Agreement, "Senior Indebtedness" means any indebtedness of Ultimate Parent, Parent or any of their Affiliates: (i) for money borrowed by Ultimate Parent, Parent or any of their Affiliates from any Person in the business of commercial finance and/or (ii) in connection with the issuance of tax exempt notes, debentures, or the public or private sale or placements of debt obligations. Stockholders' Agent acting on behalf of the Securityholders hereby covenants and agrees that any Excess Earn-Out Payments are and will remain unsecured and to do or cause to be done any and all further acts and things and to execute and deliver any and all further documents and instruments as Ultimate Parent, Parent or any of their Affiliates or holders of the Senior Indebtedness reasonably request to carry out the full intent and purpose of this Section. Any Excess Earn-Out Payments will not be made if it is prohibited under the documents related to the Senior Indebtedness (or, after giving effect to such Excess Earn-Out Payment, a default or an event of default would occur under the documents related to the Senior Indebtedness) unless after giving effect thereto (i) no default (however defined) or event of default (however defined) under any document evidencing the Senior Indebtedness then exists or would exist after giving effect thereto and (ii) the loan parties or borrowers are then in compliance with all financial covenants contained in any document evidencing the Senior Indebtedness; provided, however, if the payment of any Excess Earn-Out Payments is delayed by this Section, (x) Parent will promptly make any partial or full payment of such Excess Earn-Out Payments to the extent that such payments do not violate any condition set forth in this Section, and (y) commencing 90 days after the date the Excess Earn-Out Payments are first delayed by this Section and continuing thereafter until the Excess Earn-Out Payments are paid in full, the unpaid Excess Earn-Out Payments will accrue interest at a rate equal to 5% per annum. Until the Senior Indebtedness is paid in full, no enforcement action of any kind may be taken with respect to any Excess Earn-Out Payments if such Excess Earn-Out Payment is prohibited under the documents related to the Senior Indebtedness (or, after giving effect to such Excess Earn-Out Payment, a default or an event of default would occur under the documents related to the Senior Indebtedness) unless (a) it is expressly permitted to be paid hereunder, (b) prior written consent is provided by the holders of the Senior Indebtedness to Stockholders' Agent acting on behalf of the Securityholders, or (c) (i) the Excess Earn-Out Payments have not been paid within 180 days of the date when such Excess Earn-Out Payments are due and payable, and (ii) Stockholders' Agent acting on behalf of the Securityholders has provided to the holders of Senior Indebtedness at least ten days prior written notice of its intention to take enforcement action.

2.6 Conversion of Shares.

(a) Conversion. Subject to Section 2.8, at the Effective Time, by virtue of the Merger and without any further action on the part of Parent, Merger Sub, the Company or any stockholder of the Company, each share of Company Capital Stock outstanding

immediately prior to the Effective Time shall be cancelled and converted into the right to receive from Parent, following the surrender of the certificate representing such share of Company Capital Stock in accordance with Section 2.9, the following consideration:

(i) Outstanding Series A Preferred Stock. Each share of Outstanding Series A Preferred Stock shall be converted automatically into the right to receive the following (following the surrender of the certificate representing such share of Series A Preferred Stock in accordance with Section 2.9):

(A) Share of Grossed Up Closing Payment. An amount in cash equal to:

(1) the Series A Preference Per Share Amount; *plus*

(2) the *product* of (x) the Residual Per FD Share Amount, *multiplied by* (y) the Series A Conversion Ratio; *minus*

(3) the *product* of (x) Escrow Contribution Amount Per FD Non-Dissenting Share, *multiplied by* (y) the Series A Conversion Ratio; *minus*

(4) the *product* of (x) Stockholders Expense Escrow Contribution Amount Per FD Non-Dissenting Share, *multiplied by* (y) the Series A Conversion Ratio.

(B) Share of Escrow Fund and Expense Fund Disbursements. With respect to any cash disbursements, if any, made from the Escrow Fund by the Escrow Agent to the Securityholders in accordance with the terms of the Escrow Agreement, an amount determined by *dividing* (1) the *product* of (x) the amount of such disbursement *multiplied by* (y) the Series A Conversion Ratio by (2) the Escrow FD Number. With respect to any cash disbursements, if any, made from the Stockholder Expense Fund by the Stockholder Expense Fund Agent to the Securityholders in accordance with the terms of the Stockholder Expense Fund Agreement, an amount determined by *dividing* (1) the *product* of (x) the amount of such disbursement *multiplied by* (y) the Series A Conversion Ratio by (2) the Escrow FD Number.

(C) Additional Closing Payment Adjustment Amount Per FD Share. If the Additional Closing Payment Adjustment Payment becomes payable under Section 2.5(c), an amount equal to the *product* of (1) the Additional Closing Payment Adjustment Payment Per FD Share, *multiplied by* (2) the Series A Conversion Ratio.

(D) Initial Earn-Out Amount Per FD Share. If and when an Initial Earn-Out Amount becomes payable under Section 2.5(d), an amount equal to the *product* of (1) the Initial Earn-Out Amount Per FD Share, *multiplied by* (2) the Series A Conversion Ratio.

(E) 2020 Earn-Out Amount Per FD Share. If and when the 2020 Earn-Out Amount becomes payable under Section 2.5(e), an amount equal to the *product* of (1) the 2020 Earn-Out Amount Per FD Share, *multiplied by* (2) the Series A Conversion Ratio.

(ii) Outstanding Series B Preferred Stock. Each share of Outstanding Series B Preferred Stock shall be converted automatically into the right to receive (following the surrender of the certificate representing such share of Series B Preferred Stock in accordance with Section 2.9):

(A) Share of Grossed Up Closing Payment. An amount in cash equal to:

(1) the Series B Preference Per Share Amount; *plus*

(2) the *product* of (x) the Residual Per FD Share Amount, *multiplied by* (y) the Series B Conversion Ratio; *minus*

(3) the *product* of (x) Escrow Contribution Amount Per FD Non-Dissenting Share, *multiplied by* (y) the Series B Conversion Ratio; *minus*

(4) the *product* of (x) Stockholders Expense Escrow Contribution Amount Per FD Non-Dissenting Share, *multiplied by* (y) the Series B Conversion Ratio.

(B) Share of Escrow Fund and Expense Fund Disbursements. With respect to any cash disbursements, if any, made from the Escrow Fund by the Escrow Agent to the Securityholders in accordance with the terms of the Escrow Agreement, an amount determined by *dividing* (1) the *product* of (x) the amount of such disbursement *multiplied by* (y) the Series B Conversion Ratio by (2) the Escrow FD Number. With respect to any cash disbursements, if any, made from the Stockholder Expense Fund by the Stockholder Expense Fund Agent to the Securityholders in accordance with the terms of the Stockholder Expense Fund Agreement, an amount determined by *dividing* (1) the *product* of (x) the amount of such disbursement *multiplied by* (y) the Series B Conversion Ratio by (2) the Escrow FD Number.

(C) Additional Closing Payment Adjustment Amount Per FD Share. If the Additional Closing Payment Adjustment Payment becomes payable under Section 2.5(c), an amount equal to the *product* of (1) the Additional Closing Payment Adjustment Payment Per FD Share, *multiplied by* (2) the Series B Conversion Ratio.

(D) Initial Earn-Out Amount Per FD Share. If and when an

Initial Earn-Out Amount becomes payable under Section 2.5(d), an amount equal to the *product* of (1) the Initial Earn-Out Amount Per FD Share, *multiplied by* (2) the Series B Conversion Ratio.

(E) 2020 Earn-Out Amount Per FD Share. If and when the 2020 Earn-Out Amount becomes payable under Section 2.5(e), an amount equal to the *product* of (1) the 2020 Earn-Out Amount Per FD Share, *multiplied by* (2) the Series B Conversion Ratio.

(iii) Outstanding Series C Preferred Stock. Each share of Outstanding Series C Preferred Stock shall be converted automatically into the right to receive (following the surrender of the certificate representing such share of Series C Preferred Stock in accordance with Section 2.9):

(A) Share of Grossed Up Closing Payment. An amount in cash equal to:

(1) the Series C Preference Per Share Amount; *plus*

(2) the *product* of (x) the Residual Per FD Share Amount, *multiplied by* (y) the Series C Conversion Ratio; *minus*

(3) the *product* of (x) Escrow Contribution Amount Per FD Non-Dissenting Share, *multiplied by* (y) the Series C Conversion Ratio; *minus*

(4) the *product* of (x) Stockholders Expense Escrow Contribution Amount Per FD Non-Dissenting Share, *multiplied by* (y) the Series C Conversion Ratio.

(B) Share of Escrow Fund and Expense Fund Disbursements. With respect to any cash disbursements, if any, made from the Escrow Fund by the Escrow Agent to the Securityholders in accordance with the terms of the Escrow Agreement, an amount determined by *dividing* (1) the *product* of (x) the amount of such disbursement *multiplied by* (y) the Series C Conversion Ratio by (2) the Escrow FD Number. With respect to any cash disbursements, if any, made from the Stockholder Expense Fund by the Stockholder Expense Fund Agent to the Securityholders in accordance with the terms of the Stockholder Expense Fund Agreement, an amount determined by *dividing* (1) the *product* of (x) the amount of such disbursement *multiplied by* (y) the Series C Conversion Ratio by (2) the Escrow FD Number.

(C) Additional Closing Payment Adjustment Amount Per FD Share. If the Additional Closing Payment Adjustment Payment becomes payable under Section 2.5(c), an amount equal to the *product* of (1) the Additional Closing Payment Adjustment Payment Per FD Share, *multiplied by* (2) the Series C Conversion Ratio.

(D) Initial Earn-Out Amount Per FD Share. If and when an Initial Earn-Out Amount becomes payable under Section 2.5(d), an amount equal to the *product* of (1) the Initial Earn-Out Amount Per FD Share, *multiplied by* (2) the Series C Conversion Ratio.

(E) 2020 Earn-Out Amount Per FD Share. If and when the 2020 Earn-Out Amount becomes payable under Section 2.5(e), an amount equal to the *product* of (1) the 2020 Earn-Out Amount Per FD Share, *multiplied by* (2) the Series C Conversion Ratio.

(iv) Outstanding Series D Preferred Stock. Each share of Outstanding Series D Preferred Stock shall be converted automatically into the right to receive (following the surrender of the certificate representing such share of Series D Preferred Stock in accordance with Section 2.9):

(A) Share of Grossed Up Closing Payment. An amount in cash equal to:

(1) the Series D Preference Per Share Amount; *plus*

(2) the *product* of (x) the Residual Per FD Share Amount, *multiplied by* (y) the Series D Conversion Ratio; *minus*

(3) the *product* of (x) Escrow Contribution Amount Per FD Non-Dissenting Share, *multiplied by* (y) the Series D Conversion Ratio; *minus*

(4) the *product* of (x) Stockholders Expense Escrow Contribution Amount Per FD Non-Dissenting Share, *multiplied by* (y) the Series D Conversion Ratio.

(B) Share of Escrow Fund and Expense Fund Disbursements. With respect to any cash disbursements, if any, made from the Escrow Fund by the Escrow Agent to the Securityholders in accordance with the terms of the Escrow Agreement, an amount determined by *dividing* (1) the *product* of (x) the amount of such disbursement *multiplied by* (y) the Series D Conversion Ratio by (2) the Escrow FD Number. With respect to any cash disbursements, if any, made from the Stockholder Expense Fund by the Stockholder Expense Fund Agent to the Securityholders in accordance with the terms of the Stockholder Expense Fund Agreement, an amount determined by *dividing* (1) the *product* of (x) the amount of such disbursement *multiplied by* (y) the Series D Conversion Ratio by (2) the Escrow FD Number.

(C) Additional Closing Payment Adjustment Amount Per FD Share. If the Additional Closing Payment Adjustment Payment becomes payable under Section 2.5(c), an amount equal to the *product* of (1) the Additional Closing Payment Adjustment Payment Per FD Share, *multiplied by* (2) the Series D Conversion Ratio.

(D) Initial Earn-Out Amount Per FD Share. If and when an Initial Earn-Out Amount becomes payable under Section 2.5(d), an amount equal to the *product* of (1) the Initial Earn-Out Amount Per FD Share, *multiplied by* (2) the Series D Conversion Ratio.

(E) 2020 Earn-Out Amount Per FD Share. If and when the 2020 Earn-Out Amount becomes payable under Section 2.5(e), an amount equal to the *product* of (1) the 2020 Earn-Out Amount Per FD Share, *multiplied by* (2) the Series D Conversion Ratio.

(v) Outstanding Common Stock. Each share of the Outstanding Common Stock shall be converted automatically into the right to receive (following the surrender of the certificate representing such share of Company Common Stock in accordance with Section 2.9):

(A) Share of Grossed Up Closing Payment. An amount in cash equal to:

(1) the Residual Per FD Share Amount; *minus*

(2) the Escrow Contribution Amount Per FD Non-Dissenting Share; *minus*

(3) the Stockholders Expense Escrow Contribution Amount Per FD Non-Dissenting Share.

(B) Share of Escrow Fund and Expense Fund Disbursements. With respect to any cash disbursements, if any, made from the Escrow Fund by the Escrow Agent to the Securityholders in accordance with the terms of the Escrow Agreement, an amount determined by *dividing* (1) the amount of such disbursement by (2) the Escrow FD Number. With respect to any cash disbursements, if any, made from the Stockholder Expense Fund by the Stockholder Expense Fund Agent to the Securityholders in accordance with the terms of the Stockholder Expense Fund Agreement, an amount determined by *dividing* (1) the amount of such disbursement *multiplied by* (2) the Escrow FD Number.

(C) Additional Closing Payment Adjustment Amount Per FD Share. If the Additional Closing Payment Adjustment Payment becomes payable under Section 2.5(c), an amount equal to the Additional Closing Payment Adjustment Payment Per FD Share.

(D) Initial Earn-Out Amount Per FD Share. If and when an Initial Earn-Out Amount becomes payable under Section 2.5(d), an amount equal to the Initial Earn-Out Amount Per FD Share.

(E) 2020 Earn-Out Amount Per FD Share. If and when the 2020 Earn-Out Amount becomes payable under Section 2.5(e), an amount equal to the 2020 Earn-Out Amount Per FD Share.

(vi) Company Capital Stock Owned by Ultimate Parent, Parent, Merger Sub or the Company. Each share of Company Capital Stock owned by Ultimate Parent, Parent, Merger Sub, the Company (including all shares of Company Capital Stock held in treasury) or any direct or indirect Subsidiary of Ultimate Parent, Parent, Merger Sub or the Company immediately prior to the Effective Time shall be canceled without payment of any consideration with respect thereto.

(vii) Merger Sub Common Stock. Each share of the common stock, par value \$0.001 per share, of Merger Sub outstanding immediately prior to the Effective Time shall be converted into one share of common stock of the Surviving Corporation.

(b) Rounding and Aggregation. The amount of cash that each Securityholder is entitled to receive at any particular time for the shares of Outstanding Capital Stock held by such Securityholder or the Outstanding Options or Outstanding Warrants held by such Securityholder shall be rounded to the nearest cent (with \$0.005 being rounded upward) and computed after aggregating the cash amounts payable at such time for all shares of each class and series of Outstanding Capital Stock, all Outstanding Options and all Outstanding Warrants held by such Securityholder.

(c) Adjustments. In the event that the Company, at any time or from time to time between the date of this Agreement and the Effective Time, declares or pays any dividend on Company Capital Stock payable in Company Capital Stock or in any right to acquire Company Capital Stock, or effects a subdivision of the outstanding shares of Company Capital Stock into a greater number of shares of Company Capital Stock, or in the event the outstanding shares of Company Capital Stock shall be combined or consolidated, by reclassification or otherwise, into a lesser number of shares of Company Capital Stock, or a record date with respect to any of the foregoing shall occur during such period, then the amounts payable in respect of shares of Outstanding Capital Stock pursuant to Section 2.6 and the amounts payable in respect of shares of Company Capital Stock subject to Outstanding Options and Outstanding Warrants pursuant to Section 2.7 shall be appropriately adjusted.

2.7 Treatment of Stock Options and Warrants.

(a) Vested Stock Options. Subject to Section 2.9(h), at the Effective Time, each Company Option that is vested, outstanding and unexercised immediately prior to the Effective Time (after giving effect to any vesting that is contingent upon the Merger) shall be cancelled (each Company Option that is vested, unexercised and outstanding as of immediately prior to the Effective Time (after

giving effect to any vesting that is contingent upon the Merger) is referred to in this Agreement as an “Outstanding Option”), and the holder thereof shall be entitled to receive for each share of Company Common Stock subject to such Outstanding Option:

(i) Share of Grossed Up Closing Payment. An amount in cash equal to:

- (A) the Residual Per FD Share Amount; *minus*
- (B) the exercise price per share of Company Common Stock subject to such Outstanding Option; *minus*
- (C) the Escrow Contribution Amount Per FD Non-Dissenting Share; *minus*
- (D) the Stockholders Expense Escrow Contribution Amount Per FD Non-Dissenting Share.

If the exercise price payable in respect of a share of Company Common Stock subject to any Outstanding Option exceeds the Residual Per FD Share Amount, then the amount payable under this Section 2.7(a)(i) shall be zero for such Outstanding Option.

(ii) Share of Escrow Fund and Expense Fund Disbursements. With respect to any cash disbursements, if any, made from the Escrow Fund by the Escrow Agent to the Securityholders in accordance with the terms of the Escrow Agreement, an amount determined by *dividing* (1) the amount of such disbursement by (2) the Escrow FD Number. With respect to any cash disbursements, if any, made from the Stockholder Expense Fund by the Stockholder Expense Fund Agent to the Securityholders in accordance with the terms of the Stockholder Expense Fund Agreement, an amount determined by *dividing* (1) the amount of such disbursement *multiplied by* (2) the Escrow FD Number.

(iii) Additional Closing Payment Adjustment Amount Per FD Share. If the Additional Closing Payment Adjustment Payment becomes payable under Section 2.5(c), an amount equal to the Additional Closing Payment Adjustment Payment Per FD Share.

(iv) Initial Earn-Out Amount Per FD Share. If and when an Initial Earn-Out Amount becomes payable under Section 2.5(d), an amount equal to the Initial Earn-Out Amount Per FD Share.

(v) 2020 Earn-Out Amount Per FD Share. If and when the 2020 Earn-Out Amount becomes payable under Section 2.5(e), an amount equal to the 2020 Earn-Out Amount Per FD Share.

(vi) Payment. Notwithstanding anything herein to the contrary, in lieu of paying the Payment Agent for amounts payable under this Section 2.7(a) to a holder of an Outstanding Option, Parent may pay any or all such amounts through the payroll service of Parent or the Company, without interest.

(b) Unvested Stock Options. At the Effective Time, each Company Option that is unvested, outstanding and unexercised immediately prior to the Effective Time (after giving effect to any vesting that is contingent upon the Merger) shall be cancelled.

(c) Common Warrants. Subject to Section 2.9(h), at the Effective Time, each Company Warrant to purchase shares of Company Common Stock that is vested, outstanding and unexercised immediately prior to the Effective Time (after giving effect to any vesting that is contingent upon the Merger) (an “Outstanding Common Warrant”) shall be cancelled and the holder thereof shall be entitled to receive for each share of Company Common Stock subject to such Outstanding Common Warrant:

(i) Share of Grossed Up Closing Payment. An amount in cash equal to:

(A) the Residual Per FD Share Amount; *minus*

(B) the exercise price per share of Company Common Stock subject to such Outstanding Common Warrant; *minus*

(C) the Escrow Contribution Amount Per FD Non-Dissenting Share; *minus*

(D) the Stockholders Expense Escrow Contribution Amount Per FD Non-Dissenting Share.

If the exercise price payable in respect of a share of Company Common Stock subject to any Outstanding Common Warrant exceeds the Residual Per FD Share Amount, then the amount payable under this Section 2.7(c)(i) shall be zero for such Outstanding Common Warrant.

(ii) Share of Escrow Fund and Expense Fund Disbursements. With respect to any cash disbursements, if any, made from the Escrow Fund by the Escrow Agent to the Securityholders in accordance with the terms of the Escrow Agreement, an amount determined by *dividing* (1) the amount of such disbursement by (2) the Escrow FD Number. With respect to any cash disbursements, if any, made from the Stockholder Expense Fund by the Stockholder Expense Fund Agent to the Securityholders in accordance with the terms of the Stockholder Expense Fund Agreement, an amount determined by *dividing* (1) the amount of such disbursement *multiplied by* (2) the Escrow FD Number.

(iii) Additional Closing Payment Adjustment Amount Per FD Share. If the Additional Closing Payment Adjustment Payment becomes payable under Section 2.5(c), an amount equal to the Additional Closing Payment Adjustment Payment Per FD Share.

(iv) Initial Earn-Out Amount Per FD Share. If and when an Initial Earn-Out Amount becomes payable under Section 2.5(d), an amount equal to the Initial Earn-Out Amount Per FD Share.

(v) 2020 Earn-Out Amount Per FD Share. If and when the 2020 Earn-Out Amount becomes payable under Section 2.5(e), an amount equal to the 2020 Earn-Out Amount Per FD Share.

(d) Preferred Warrants. Subject to Section 2.9(h), at the Effective Time, each Company Warrant to purchase shares of Company Preferred Stock that is vested, outstanding and unexercised immediately prior to the Effective Time (after giving effect to any vesting that is contingent upon the Merger) (an “Outstanding Preferred Warrant”) shall be cancelled and the holder thereof shall be entitled to receive for each share of Company Preferred Stock subject to such Outstanding Preferred Warrant:

(i) Share of Grossed Up Closing Payment. An amount in cash equal to:

(A) the Preference Per Share Amount for the series of Company Preferred Stock subject to such Outstanding Preferred Warrant (it being acknowledged and agreed that there is no Dividend Amount Per Share for the shares of Company Preferred Stock that are subject to such Outstanding Preferred Warrant); *plus*

(B) the *product* of (x) the Residual Per FD Share Amount, *multiplied by* (y) the Conversion Ratio for the series of Company Preferred Stock subject to such Outstanding Preferred Warrant; *minus*

(C) the exercise price per share of Company Preferred Stock subject to such Outstanding Preferred Warrant; *minus*

(D) the *product of* (x) the Escrow Contribution Amount Per FD Non-Dissenting Share, *multiplied by* (y) the Conversion Ratio for the series of Company Preferred Stock subject to such Outstanding Preferred Warrant; *minus*

(E) the *product of* (x) Stockholders Expense Escrow Contribution Amount Per FD Non-Dissenting Share, *multiplied by* (y) the Conversion Ratio for the series of Company Preferred Stock subject to such Outstanding Preferred Warrant.

If the exercise price payable in respect of a share of Company Preferred Stock subject to any Outstanding Preferred Warrant exceeds the applicable Preference Per Share Amount plus the product of (x) the Residual Per FD Share Amount and (y) the Conversion Ratio for the series of Company Preferred Stock subject to such Outstanding Preferred Warrant, then the amount payable under this Section 2.7(d)(i) shall be zero for such Outstanding Preferred Warrant.

(ii) Share of Escrow Fund and Expense Fund Disbursements. With respect to any cash disbursements, if any, made from the Escrow Fund by the Escrow Agent to the Securityholders in accordance with the terms of the Escrow Agreement, an amount determined by *dividing* (1) the *product* of (x) the amount of such disbursement *multiplied by* (y) the Conversion Ratio for the series of Company Preferred Stock subject to such Outstanding Preferred Warrant by (2) the Escrow FD Number. With respect to any cash disbursements, if any, made from the Stockholder Expense Fund by the Stockholder Expense Fund Agent to the Securityholders in accordance with the terms of the Stockholder Expense Fund Agreement, an amount determined by *dividing* (1) the *product* of (x) the amount of such disbursement *multiplied by* (y) the Conversion Ratio for the series of Company Preferred Stock subject to such Outstanding Preferred Warrant by (2) the Escrow FD Number.

(iii) Additional Closing Payment Adjustment Amount Per FD Share. If the Additional Closing Payment Adjustment Payment becomes payable under Section 2.5(c), an amount equal to the *product* of (A) the Additional Closing Payment Adjustment Payment Per FD Share *multiplied by* (B) the Conversion Ratio for the series of Company Preferred Stock subject to such Outstanding Preferred Warrant.

(iv) Initial Earn-Out Amount Per FD Share. If and when an Initial Earn-Out Amount becomes payable under Section 2.5(d), an amount equal to the *product* of (A) the Initial Earn-Out Amount Per FD Share *multiplied by* (B) the Conversion Ratio for the series of Company Preferred Stock subject to such Outstanding Preferred Warrant.

(v) 2020 Earn-Out Amount Per FD Share. If and when the 2020 Earn-Out Amount becomes payable under Section 2.5(e), an amount equal to the *product* of (A) the 2020 Earn-Out Amount Per FD Share *multiplied by* (B) the Conversion Ratio for the series of Company Preferred Stock subject to such Outstanding Preferred Warrant.

2.8 Dissenting Shares.

(a) Effect on Dissenting Shares. Notwithstanding any provisions of this Agreement to the contrary, shares of Company Capital Stock held by a holder who has demanded and perfected such demand for appraisal of such holder's shares of Company Capital Stock in accordance with Section 262 of the DGCL and as of the Merger Closing has neither effectively withdrawn nor lost such holder's right to such appraisal (the "Dissenting Shares") shall not be converted into the applicable Merger Consideration, but shall be entitled to only such rights as are granted by the DGCL. Parent shall be entitled to retain any Merger Consideration not paid on account of such Dissenting Shares pending resolution of the claims of such holders, and the Non-Dissenting Stockholders shall not be entitled to any portion thereof.

(b) Loss of Dissenting Share Status. Notwithstanding the provisions of Section 2.8(a), if any holder of shares of Company Capital Stock who demands appraisal of such holder's shares under the DGCL shall effectively withdraw or lose (through the

failure to perfect or otherwise) such holder's right to appraisal, then as of the Merger Closing or the occurrence of such event, whichever later occurs, such holder's shares of Company Capital Stock shall automatically be converted into the right to receive the applicable Merger Consideration, without interest thereon, promptly following the surrender of the certificate or certificates representing such shares of Company Capital Stock.

(c) Notice of Dissenting Shares. The Company shall give Parent: (i) prompt notice of any demands for appraisal of shares of Company Capital Stock received by the Company, withdrawals of any demands, and any other instruments served pursuant to the DGCL and received by the Company; and (ii) the opportunity to direct all negotiations and proceedings with respect to any such demands for appraisal. The Company shall not, except with the prior written consent of Parent, make any payment with respect to any demands for appraisal of shares of Company Capital Stock or offer to settle any such demands other than by operation of law or pursuant to a final order of a court of competent jurisdiction.

2.9 Exchange of Certificates.

(a) Payment Agent. U.S. Bank, N.A. shall act as payment agent in the Merger (the "Payment Agent"). Promptly after the Effective Time, Parent shall deposit with the Payment Agent cash sufficient to pay the cash consideration payable to the Non-Dissenting Stockholders and holders of Outstanding Warrants pursuant to Section 2.6 and Section 2.7 (excluding the Escrow Amount and the Stockholder Expense Fund Initial Amount). The cash amount so deposited with the Payment Agent is referred to as the "Payment Fund." The Payment Agent will invest the funds included in the Payment Fund in the manner directed by Parent. Any interest or other income resulting from the investment of such funds shall be the property of, and will be paid to, Parent.

(b) Letter of Transmittal. Promptly after the Effective Time, the Payment Agent shall mail to each Non-Dissenting Stockholder and holders of Outstanding Warrants immediately prior to the Effective Time: (i) a letter of transmittal in form and substance satisfactory to the Company and Parent (a "Letter of Transmittal"); and (ii) instructions for use in effecting the exchange of Company Stock Certificates for the Merger Consideration payable with respect to such Company Capital Stock and in effecting the exchange of Outstanding Warrants for the consideration payable with respect to such Outstanding Warrants under Section 2.7. Upon the surrender to the Payment Agent of a Company Stock Certificate or Outstanding Warrant (or an affidavit of lost certificate as described in Section 2.9(e)), together with a duly executed Letter of Transmittal duly executed by the legal and beneficial holder of such Company Stock Certificate or Outstanding Warrant and, in the case of any such holder that resides in a community property state, such holder's spouse, and such other documents as the Payment Agent may reasonably request, the holder of such Company Stock Certificate or Outstanding Warrant shall be entitled to receive in exchange therefor cash in an amount equal to the Merger Consideration which such holder has the right to receive pursuant to Section 2.6 or the consideration payable with respect to such Outstanding Warrants under Section 2.7, respectively, and the Company Stock Certificate and Outstanding Warrants

so surrendered shall forthwith be canceled. From and after the Effective Time, each Company Stock Certificate which prior to the Effective Time represented shares of Company Capital Stock shall be deemed to represent only the right to receive the Merger Consideration payable with respect to such shares, and the holder of each such Company Stock Certificate shall cease to have any rights with respect to the shares of Company Capital Stock formerly represented thereby. From and after the Effective Time, each Outstanding Warrant shall be deemed to represent only the right to receive the consideration payable with respect to such Outstanding Warrants under Section 2.7 and the holder of each such Outstanding Warrant shall cease to have any rights with respect to such Outstanding Warrant formerly represented thereby.

(c) Payments to Others. If payment of Merger Consideration in respect of shares of Company Capital Stock converted pursuant to Section 2.6 is to be made to a Person other than the Person in whose name a surrendered Company Stock Certificate is registered, it shall be a condition to such payment that the Company Stock Certificate so surrendered shall be properly endorsed or shall be otherwise in proper form for transfer and that the Person requesting such payment shall have paid any transfer and other Taxes required by reason of such payment in a name other than that of the registered holder of the Company Stock Certificate surrendered or shall have established to the satisfaction of Parent that such Tax either has been paid or is not payable.

(d) Stock Transfer Books. As of the Effective Time, the stock transfer books of the Company shall be closed and there shall not be any further registration of transfers of shares of Company Capital Stock thereafter on the records of the Company. If, after the Effective Time, certificates for shares of Company Capital Stock ("Company Stock Certificates") are presented to the Surviving Corporation, they shall be canceled and exchanged for the Merger Consideration payable with respect to such shares as provided for in Section 2.6. No interest shall accrue or be paid on any Merger Consideration payable upon the surrender of a Company Stock Certificate which immediately before the Effective Time represented outstanding shares of Company Capital Stock.

(e) Lost Certificates. In the event any Company Stock Certificate representing shares of Company Capital Stock converted in connection with the Merger pursuant to Section 2.6 shall have been lost, stolen or destroyed, Payment Agent may, in its discretion and as a condition precedent to the payment of any Merger Consideration with respect to the shares of Company Capital Stock previously represented by such Company Stock Certificate, require the owner of such lost, stolen or destroyed Company Stock Certificate to provide an appropriate affidavit as indemnity against any claim that may be made against the Payment Agent, Parent, the Surviving Corporation or any affiliated party with respect to such Company Stock Certificate. In the event any certificate representing Outstanding Warrants converted in connection with the Merger pursuant to Section 2.7 shall have been lost, stolen or destroyed, Payment Agent may, in its discretion and as a condition precedent to the payment of any consideration with respect to such Outstanding Warrant under Section 2.7, require the owner of such lost, stolen or destroyed Outstanding Warrant to provide an appropriate affidavit as indemnity against any claim that may be made against the Payment Agent, Parent, the Surviving Corporation or any affiliated party with respect to such Outstanding Warrant.

(f) Undistributed Payment Funds. Any portion of the Payment Fund that remains undistributed to Securityholders as of the date that is 180 days after the Payment Fund is deposited with the Payment Agent shall be delivered to Parent upon demand and Securityholders who have not theretofore received the consideration payable pursuant to Section 2.6 or Section 2.7 to such Securityholder, as the case may be, in respect to such share of Company Capital Stock or Outstanding Warrant shall thereafter look only to Parent for satisfaction of their claims for such consideration, without any interest thereon.

(g) Escheat. Notwithstanding anything in this Agreement to the contrary, neither Parent nor any other Person shall be liable to any holder of shares of Company Capital Stock or Company Warrants or to any other Person for any amount paid to a public official pursuant to applicable abandoned property law, escheat law or similar Legal Requirement. Any amounts remaining unclaimed by a holder of shares of Company Capital Stock or Company Warrants three years after such amounts become due and payable to such holder (or such earlier date immediately prior to such time as such amounts would otherwise escheat to or become property of any Governmental Body) shall, to the extent permitted by applicable Legal Requirements, become the property of Parent free and clear of any Encumbrance.

(h) Withholding. Each of the Payment Agent, Parent and the Surviving Corporation shall be entitled to deduct and withhold from any consideration payable pursuant to this Agreement to any securityholder or former securityholder of the Company such amounts as are required to be deducted or withheld therefrom or in connection therewith under the Code or any provision of state, local or foreign Tax law or under any other applicable Legal Requirement. To the extent such amounts are so deducted or withheld, such amounts shall be treated for all purposes under this Agreement as having been paid to the Person to whom such amounts would otherwise have been paid.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Parent as follows, except as set forth on the Disclosure Schedule:

3.1 Organization, Good Standing and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted. The Company is duly qualified to transact business and is in good standing in the State of Connecticut and in each other jurisdiction where the conduct of its business or the ownership of its assets requires such qualification, and Section 3.1 of the Disclosure Schedule sets forth all such jurisdictions.

3.2 Capitalization and Voting Rights.

(a) Immediately prior to the Investment Closing, the authorized capital of the Company consists of: (i) 20,000,000 shares of Company Preferred Stock, par value \$0.0001, (A) 1,600,000 of which have been designated Series A Preferred Stock, all of which have been issued and are outstanding, (B) 3,858,174 of which have been

designated Series B Preferred Stock, all of which have been issued and are outstanding, (C) 1,744,186 of which have been designated Series C Preferred Stock, all of which have been issued and are outstanding and (D) 12,797,640 of which have been designated Series D Preferred Stock, 2,989,130 of which have been issued and are outstanding and 326,087 of which are reserved for issuance upon exercise of Warrants to Purchase Shares issued by the Company pursuant to that certain Note and Warrant Purchase Agreement dated as of December 30, 2013, as amended (the “Preferred Warrants”) and (ii) 35,000,000 shares of Company Common Stock, of which (A) 1,673,530 have been issued and are outstanding, (B) 73,529 are reserved for issuance upon exercise of that certain Common Stock Purchase Warrant issued by the Company to CiDRA Precision Services, LLC (the “Common Warrant”), (C) 1,849,546 are reserved for issuance upon exercise of currently outstanding options to purchase shares of Company Common Stock granted to employees and other service providers pursuant to the Company’s 2010 Stock Plan (as amended, the “Option Plan”) and (D) 1,126,924 are reserved for future issuance under the Option Plan.

(b) As of the Investment Closing, the Company’s capitalization will be the same as set forth in Section 3.2(a), except that the Parent Shares will be additional issued and outstanding shares of Company Common Stock.

(c) The outstanding shares of Company Capital Stock are all duly and validly authorized and issued, fully paid and nonassessable, and, subject in part to the truth and accuracy of representations and warranties made by purchasers of such shares, were issued in accordance with the registration or qualification provisions of the Securities Act of 1933, as amended (the “Securities Act”) and all relevant state securities laws, or pursuant to valid exemptions therefrom.

(d) Except as set forth in Section 3.2(d) of the Disclosure Schedule and for (i) the conversion privileges of the Company Preferred Stock, (ii) currently outstanding options to purchase shares of Company Common Stock granted pursuant to the Option Plan, (iii) the Preferred Warrants and (iv) the Common Warrant, there are no outstanding options, warrants, rights (including conversion or preemptive rights) or agreements for the purchase or acquisition from the Company of any shares of its capital stock or any options, warrants or other equity securities and there are no outstanding phantom stock rights or stock appreciation rights issued by the Company. The Company is not a party or subject to any agreement or understanding, and, to the Company’s Knowledge, there is no agreement or understanding between any persons and/or entities, which affects or relates to the voting or giving of written consents with respect to any security other than the Voting Agreement. Except as set forth in Section 3.2(d) of the Disclosure Schedule, the Company has no obligation (contingent or otherwise) to purchase, redeem or otherwise acquire any of its shares of capital stock or other equity securities or any interest therein or to pay any dividend or make any other distribution in respect thereof except as set forth in the Company’s certificate of incorporation. None of the outstanding shares of Company Capital Stock were issued in violation of any agreement, arrangement or commitment to which the Company is a party or is subject to or in violation of any preemptive or similar rights of any Person.

(e) Section 3.2(e) of the Disclosure Schedule sets forth the names of the Company's stockholders and the class, series and number of shares of Company Capital Stock owned of record by each of such stockholders as of the Investment Closing.

(f) The Company has obtained valid waivers of any rights by other parties to purchase any of the Parent Shares or other shares of Company Capital Stock in connection with the issuance of the Parent Shares.

(g) The Parent Shares, when issued, sold and delivered in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under the Voting Agreement, the ROFR Agreement, the Investors' Rights Agreement, the Company's Bylaws and applicable state and federal securities laws. Assuming the accuracy of the representations of Parent in Section 4 of this Agreement, the Parent Shares will be issued in compliance with all applicable federal and state securities laws.

3.3 Subsidiaries. The Company does not (a) own of record or beneficially, directly or indirectly, (i) any shares, capital stock, securities convertible into shares or capital stock or any other equity interest or debt security of any corporation or (ii) any equity interest or debt security in any limited liability company, partnership, joint venture or other entity or (b) control, directly or indirectly, any other entity.

3.4 Authorization. The Company has full corporate power and authority to enter into this Agreement and the other documents contemplated hereby to which it is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization, execution and delivery of this Agreement, the Merger, the performance of all obligations of the Company hereunder, and the consummation of the transactions contemplated hereunder will be taken prior to the Investment Closing. This Agreement has been duly executed and delivered by the Company, and (assuming due authorization, execution and delivery by the Ultimate Parent, Parent and Merger Sub) this Agreement constitutes a valid and legally binding obligation of the Company, enforceable in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally and (b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies. When each other document contemplated hereunder to which the Company is or will be a party has been duly executed and delivered by the Company (assuming due authorization, execution and delivery by each other party thereto), such other document will constitute a legal and binding obligation of the Company, enforceable in accordance with its terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally and (b) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

3.5 Required Stockholder Votes. The affirmative vote of: (a) the holders of at least 66% of the shares of the Company Preferred Stock voting together as a single class; and (b) the holders of a majority of the shares of Company Capital Stock (voting together as a single class on an as-converted to Company Common Stock basis), are the only votes of the holders of any class or series of Company Capital Stock necessary to approve the Certificate Amendment (the “Required Certificate Amendment Votes”). The affirmative vote of: (a) the holders of at least 66% of the shares of the Company Preferred Stock voting together as a single class; (b) the holders of a majority of the shares of Series A Preferred Stock; (c) the holders of at least 66% of the shares of Series B Preferred Stock; (d) the holders of at least 66% of the shares of Series C Preferred Stock; (e) the holders of at least 66% of the shares of Series D Preferred Stock; and (f) the holders of a majority of the shares of Company Capital Stock (voting together as a single class on an as-converted to Company Common Stock basis), are the only votes of the holders of any class or series of Company Capital Stock necessary to adopt this Agreement and approve the other transactions contemplated by this Agreement (the votes referred to in clauses (a) through (f) of this sentence being referred to collectively as the “Required Merger Stockholder Votes”).

3.6 Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any foreign, federal, state or local Governmental Body on the part of the Company is required in connection with the consummation of the transactions contemplated by this Agreement, except for filings to be made under federal and state securities laws in connection with the offer, issuance and sale of the Parent Shares, the filing of the Certificate Amendment prior to the Investment Closing, the filing of the Certificate of Merger with the Secretary of State of the State of Delaware and the filings, consents and authorizations required under any applicable Antitrust Law.

3.7 Litigation. There is no claim, complaint, charge, action, suit, proceeding, arbitration or investigation pending or, to the Company’s Knowledge, currently threatened against the Company. The foregoing includes, without limitation, actions, suits, proceedings or investigations pending or threatened (or any basis therefor known to the Company) involving the prior employment of any of the Company Employees, their use in connection with the Company’s business of any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements with prior employers. Section 3.7 of the Disclosure Schedule lists all actions, suits, claims, investigations or other legal proceedings or hearings (including arbitration or mediation proceedings) involving the Company that have occurred since January 1, 2010. Neither the Company nor, to the Company’s Knowledge, any of its directors or officers is, nor are any of the Company’s properties or assets, a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality.

3.8 Employee Confidentiality, Non-Solicitation and Non-Competition Agreements. Except as set forth in Section 3.8 of the Disclosure Schedule, each Company Employee has executed an Employee Confidentiality, Non-Solicitation and Non-Competition Agreement (in substantially the form made available to Parent). The Company does not have Knowledge that any Company Employee is in material violation thereof. No Company Employee has excluded works or inventions made prior to his or her employment with the Company from his or her assignment of inventions pursuant to such Company Employee’s Employee Confidentiality, Non-Solicitation and Non-Competition Agreement.

3.9 Intellectual Property.

(a) Section 3.9(a) of the Disclosure Schedule accurately identifies (i) each item of Registered IP in which the Company has or purports to have an ownership interest of any nature (whether exclusively, jointly with another Person or otherwise); (ii) the jurisdiction in which such item of Registered IP has been registered, issued or filed and the applicable registration or serial number; and (iii) any other Person that has an ownership interest in such item of Registered IP and the nature of such ownership interest. The Company exclusively owns all right, title and interest in, and is the exclusive owner of record of, all Registered IP set forth in Section 3.9(a) of the Disclosure Schedules free and clear of all Encumbrances (other than non-exclusive, internal use, licenses granted to end-users of the Company's products in the ordinary course of business).

(b) Section 3.9(b) of the Disclosure Schedule accurately identifies all contracts, agreements and understandings (including any consent to use or coexistence agreements, settlements and covenants not to sue) pursuant to which Intellectual Property Rights or Intellectual Property of any other Person is licensed to the Company or the Company has otherwise received or acquired any right (whether or not currently exercisable) or interest in (other than any non-customized software that (i) is so licensed solely in executable or object code form pursuant to a non-exclusive, internal use software license, (ii) is not incorporated into any of the Company's products or services and (iii) is generally available on standard terms for less than \$10,000).

(c) Section 3.9(c) of the Disclosure Schedule accurately identifies each contract, agreement and understanding (including any consent to use or coexistence agreements, settlements and covenants not to sue) pursuant to which any Person has been granted any license under, or otherwise has received or acquired any right (whether or not currently exercisable) or interest in, any Company IP (other than non-exclusive, internal use, licenses granted to end-users of the Company's products in the ordinary course of business).

(d) With respect to each contract, agreement and understanding listed on Sections 3.9(b) and 3.9(c) of the Disclosure Schedule (collectively, "IP Contracts"): (i) such IP Contract is legal, valid, binding, enforceable in accordance with its terms and in full force and effect and will continue to be legal, valid, binding, enforceable by the Company and in full force and effect on identical terms following the consummation of the transactions contemplated hereby; (ii) the Company and, to the Knowledge of the Company, the other parties to such IP Contract are not in material breach of such IP Contract; and (iii) no party has actually repudiated such IP Contract. True and complete copies of all IP Contracts have been made available to Parent.

(e) The Company owns all right, title and interest in, or has the valid right to use, all Company IP, and all Intellectual Property and Intellectual Property Rights that is used in, or necessary for, the conduct of the business of the Company as currently conducted, in each case, free and clear of all Encumbrances.

(f) No funding, facilities or personnel of any Governmental Body or university were used to develop or create, in whole or in part, any Company IP.

(g) To the Company's Knowledge, no Person has infringed or misappropriated, or is currently infringing or misappropriating, any Company IP. No letter or other written or electronic communication or correspondence has been sent or otherwise delivered by the Company or any representative of the Company regarding any actual, alleged or suspected infringement or misappropriation of any Company IP.

(h) Neither the execution, delivery or performance of this Agreement nor the consummation of any of the transactions contemplated by this Agreement will, with or without notice or lapse of time, result in, or give any other Person the right or option to cause or declare, (i) a loss of any Company IP; (ii) a material breach of any license agreement listed or required to be set forth in Section 3.9(b) of the Disclosure Schedule; (iii) the release, disclosure or delivery of any Company IP by or to any escrow agent or other Person; (iv) the grant, assignment or transfer to any other Person of any license or other right or interest under, to, or in any of the Company IP; or (v) payment of any additional amounts with respect to the Company's right to own or use any Intellectual Property Rights owned or used by the Company.

(i) The Company has not infringed or misappropriated any Intellectual Property Rights of any other Person. The Company has not received any written communication relating to any actual, alleged or suspected infringement or misappropriation of any Intellectual Property Rights of another Person. No claim or proceeding is pending, or, to the Company's Knowledge, has been threatened: (i) alleging any infringement or misappropriation of the Intellectual Property or Intellectual Property Rights of any Person by the Company; (ii) challenging the validity, enforceability, registrability or ownership of any Company IP or the Company's rights with respect to any Company IP; or (iii) by the Company or any other Person alleging any infringement or misappropriation by any Person of the Company IP, and to the Company's Knowledge, there is no valid basis for any such claim or proceeding.

(j) The Company is in material compliance with all applicable laws relating to privacy, data protection, and the collection and use of personal information collected, used, or held for use by the Company. The Company has taken reasonable steps to protect and preserve the privacy and security of all personally identifiable information in the possession of the Company, whether in written or electronic form. The Company has complied in all material respects with its published privacy policies (if any), and the execution, delivery or performance of this Agreement and the consummation of any of the transactions contemplated by this Agreement will not violate the Company's privacy policy (if any) and all applicable laws relating to privacy and data security.

(k) The Company has not delivered, licensed or made available, and has no duty or obligation (whether present, contingent, or otherwise) to deliver, license or make available, the source code for any software developed for the Company to any Person who is not, as of the date of this Agreement, an employee of, or consultant to, the Company. Except as set forth in Section 3.9(k) of the Disclosure Schedules, the Company has not used, incorporated or embedded any open source software into any software incorporated into any of the Company's products.

(I) The Company has never been a member or promoter of, or a contributor to, any industry standards body or similar organization that could require or obligate the Company to grant or offer to any other Person any license or right to any Company IP.

3.10 Compliance with Other Instruments; No Conflicts. The Company is not in violation of any provision of its certificate of incorporation or bylaws or in material violation of any instrument, judgment, order, writ, decree or material contract to which it is a party or by which it or any of its assets is bound. To the Company's Knowledge, the Company is not in material violation of any provision of any material foreign, federal or state statute, rule or regulation applicable to the Company. Assuming that all filings, consents and authorizations required under the HSR Act are made and obtained, as the case may be, none of the execution, delivery and performance of this Agreement or the other documents contemplated hereunder to which the Company is a party, the filing of the Certificate of Merger with the Secretary of State of the State of Delaware or the consummation of the transactions contemplated hereby will (i) result in any such violation or any conflict with the terms of the Company's certificate of incorporation or bylaws, (ii) result in any such violation or conflict in any material respect with any such instrument, judgment, order, writ, decree, statute, rule or regulation, (iii) require the consent of, notice to or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel, any Material Contract, or (iv) result in the creation or imposition of any Encumbrance on any properties or assets of the Company.

3.11 Agreements.

(a) Except as set forth in Section 3.11(a) of the Disclosure Schedule and for agreements explicitly contemplated hereby, there are no agreements, understandings or proposed transactions between the Company, on the one hand, and any of its Affiliates, on the other hand.

(b) Except as set forth in Section 3.11(b) of the Disclosure Schedule, there are no agreements, understandings, instruments or contracts to which the Company is a party or by which it is bound that involve (i) obligations of, or payments to the Company in excess of, \$100,000, (ii) provisions restricting the development, manufacture, marketing or distribution of the Company's products or services, (iii) any agreement under which the Company is restricted from carrying on any line of business or carrying on any business in any geographic location, (iv) any fees or payments to any Person (including any broker, investment bank or other finder) relating to any financing (public or private) or the sale of the enterprise value of the Company (through merger, consolidation, asset transfer, equity transfer, license or otherwise), (v) the acquisition of any business, a material amount of stock or assets of any other Person or any real property (whether by merger, sale of stock, sale of assets or otherwise), (vi) Indebtedness, (vii) Encumbrances on any of the Company's assets, (viii) the lease of any real or personal property owned by any other party, except for leases or agreements with respect to personal property

under which the aggregate annual rental payments do not exceed \$75,000, (ix) obligations to make any severance, termination, change in control or similar payment to any director, officer or employee of the Company, (x) indemnification of any officer, director, employee or agent of the Company, (xi) collective bargaining agreements or agreements with any labor organization, union or association, (xii) the assumption of any material Tax or environmental liability of any Person, (xiii) any Governmental Body, (xiv) limitation on the ability of the Company to compete in any line of business or with any Person or in any geographic area or solicit the employment of any Person, and (xv) any joint venture, partnership or similar arrangements (the “Material Contracts”).

(c) Except as set forth in Section 3.11(c) of the Disclosure Schedule, the Company has not (i) declared or paid any dividends or authorized or made any distribution upon or with respect to any class or series of its capital stock, (ii) incurred any indebtedness for money borrowed or any other liabilities individually in excess of \$50,000 or, in the case of indebtedness and/or liabilities individually less than \$50,000, in excess of \$250,000 in the aggregate or (iii) made any loans or advances to any Person, other than ordinary advances for travel expenses.

(d) With respect to each Material Contract: (i) such Material Contract is legal, valid, binding, enforceable in accordance with its terms and in full force and effect and will continue to be legal, valid, binding, enforceable by the Company and in full force and effect on identical terms following the consummation of the transactions contemplated hereby; (ii) the Company and, to the Knowledge of the Company, the other parties to such Material Contract are not in material breach of such Material Contract; and (iii) no party has actually repudiated such Material Contract or provided notice to the Company of its intention to terminate any Material Contract. True and complete copies of all Material Contracts have been made available to Parent. There are no Material Contracts that are not in written form.

3.12 Insider Transactions. Except as set forth in Section 3.12 of the Disclosure Schedule and except for the Investor Documents, the Company is not a party to any agreement, arrangement, or understanding (a) with any Insider or Affiliate, or (b) under which an Insider has borrowed any monies from or has outstanding any Indebtedness to the Company or its Affiliates. Except as set forth in Section 3.12 of the Disclosure Schedule, to the actual knowledge of Per Hellsund and Marty Putnam (in their capacities as employees of the Company), no Insider or Affiliate owns any direct or indirect interest of any kind in, or is a governor, manager, director, officer, member, employee, partner, equity owner, consultant or lender to, or borrower from, or has the right to participate in the management, operations or profits of, any Person that is a competitor, supplier, customer, distributor, lessor, tenant, creditor or debtor of the Company.

3.13 Permits. The Company has all material Governmental Authorizations necessary for the conduct of its business as now being conducted by it, such Governmental Authorizations are valid and in full force and effect, and such Governmental Authorizations are set forth in Section 3.13 of the Disclosure Schedule. The Company has complied in all material respects with and is in material compliance with the terms and conditions of such Governmental Authorizations. The Company has not received any notices that it is in violation of any of the terms or conditions of any such Governmental Authorizations. No loss or expiration of any such

Governmental Authorizations is pending to which the Company has received notice or, to the Knowledge of the Company, threatened, other than expiration in accordance with the terms thereof.

3.14 Corporate Documents. The certificate of incorporation and bylaws of the Company are in full force and effect in the form made available to Parent. The copy of the minute books of the Company made available to Parent contains minutes of all meetings of directors and holders of capital stock and all actions by written consent without a meeting by the directors and holders of capital stock since the date of incorporation and reflects all material actions by the directors and holders of capital stock with respect to all transactions referred to in such minutes accurately in all material respects.

3.15 Title to Property and Assets; Real Property.

(a) Except as set forth in Section 3.15(a) of the Disclosure Schedule, the Company has good and marketable title to all of the properties and assets that it owns free and clear of all Encumbrances except Encumbrances (a) for taxes not yet due or payable, (b) that arise in the ordinary course of business and do not materially impair the Company's ownership or use of such property or assets, (c) of statutory landlords and carriers, warehousemen, suppliers, mechanics, materialmen, repairmen or other third parties that are possessory in nature arising in the ordinary course of business which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings, (d) to secure payment of workers' compensation, employment insurance, social security and other like obligations incurred in the ordinary course of business and deposits securing liability to insurance carriers under insurance or self-insurance arrangements, (e) in favor of financial institutions arising in connection with the Company's deposit and/or securities accounts held at such institutions or (f) related to leases or subleases, easements and rights of way incidental to, and not interfering with, the Company's ordinary course of business. With respect to the property and assets it leases, the Company is in compliance with such leases in all material respects.

(b) The Company does not own and has not ever owned any real property or any ownership interest therein. The Company leases the facilities identified in Section 3.15(b) of the Disclosure Schedule (the "Real Property"), and Section 3.15(b) of the Disclosure Schedule lists the name and address of the landlord of such Real Property, each lease relating to the use and/or occupancy of such Real Property by the Company, the street address of each parcel of Real Property, the rental amount currently being paid, and the expiration of the term of such lease. With respect to the Real Property and all leases of Real Property to which the Company is a party, except as set forth in Section 3.15(b) of the Disclosure Schedule, (i) each lease is valid and binding on the Company and in full force and effect and, to the Knowledge of the Company, is valid and binding on the other parties thereto; (ii) the Company (and, to the Knowledge of the Company, any counterparty thereto) has performed all material obligations required to be performed by it to date under each lease; (iii) the Company has not received a notice of default or termination with respect to any such lease; (iv) the transactions contemplated by this Agreement do not require the consent of any other party to any such lease; (v) no security

deposit or portion thereof deposited with respect to any such lease has been applied in respect of a breach or default under such lease that has not been redeposited in full; (vi) the Company does not owe, nor will it owe in the future, any brokerage commissions or finder's fees with respect to any such lease; (vii) the Company has not entered into any leases, subleases, licenses, concessions, or other agreements, written or oral, granting to any Person the right of use or occupancy of any portion of the Real Property; (viii) the Company has not collaterally assigned or granted any other security interest in any such lease or any interest therein; (ix) the leases are all the rights in and obligations regarding real property held by the Company; (x) the Securityholders do not own and are not retaining any real property or interests in real property used in connection with the operation of the Company; (xi) to the Knowledge of the Company, the Real Property is in material compliance with all applicable zoning laws so as to permit the Company's current uses and structures thereon; (xii) to the Knowledge of the Company, there are no zoning, eminent domain or other land use proceedings, either instituted or planned to be instituted that would detrimentally affect the use and operation of the Real Property, and the Company has not received notice that there are any pending or, to the Knowledge of the Company, threatened, condemnation or other proceedings relating to the Real Property or other matters adversely affecting the use or occupancy of the Real Property; (xiii) the Company has legal and practical access to public rights of way and utilities at the Real Property; (xiv) the Real Property is being operated by the Company in material compliance with all applicable federal, state and local laws, ordinances, rules, regulations and orders (including those relating to fire code and handicapped persons); and (xv) all improvements, buildings, plants and structures upon the Real Property have been, to the Knowledge of the Company, constructed in a good and workmanlike manner and of good quality materials and are fit for their intended use, there are no material, physical or mechanical defects in the condition of the Real Property or any related improvements, and the Real Property and all fixtures, including the roof, foundation, structure, heating, ventilating, plumbing, electrical and all other mechanical apparatus, is in good working order, ordinary wear and tear excepted. The Company quietly enjoys the premises provided for in such leases in all material respects. The Company has received all requisite Governmental Authorizations required in connection with the Company's occupancy of the Real Property and operation of its business and the Company has not received notice that the Real Property has not been operated and maintained in accordance with applicable Legal Requirements.

3.16 Financial Information. The Company has made available to Parent the unaudited financial statements (balance sheet and income and cash flow statements) of the Company as, at and for the year ended December 31, 2013 and the audited financial statements (balance sheet and income and cash flow statements) of the Company as, at and for the year ended December 31, 2012 (the "Year End Financial Statements"), and the balance sheet of the Company as at February 28, 2014 and the related statements of income and cash flow statements for the two-month period then ended (the "Interim Financial Statements," and, collectively with the Year-End Financial Statements, the "Financial Statements"). The Financial Statements are correct and complete in all material respects and have been prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated, except that the Financial Statements do not include all footnotes required by GAAP. The Financial Statements fairly present the financial condition and operating results of the Company as of the dates and for the periods indicated therein, subject to normal year-end audit adjustments. The Company maintains a standard system of accounting established and administered in accordance with GAAP.

3.17 Changes. Except as set forth in Section 3.17 of the Disclosure Schedule, since December 31, 2013, there has not been any:

(a) damage, destruction or loss not covered by insurance materially and adversely affecting the assets, properties, financial condition or business of the Company;

(b) waiver by the Company of a valuable right or of a material debt owed to it;

(c) material loans or guarantees made by the Company to or for the benefit of its employees, officers or directors, or any members of their immediate families, or cancellation of any material debts or entitlements, other than travel advances and other advances made in the ordinary course of its business;

(d) declaration, setting aside or payment or other distribution in respect of any of the Company's capital stock, or any direct or indirect redemption, purchase or other acquisition of any of such capital stock by the Company other than in the ordinary course of business, or any split of such capital stock;

(e) material change in any method of accounting or accounting practice, except as required by GAAP;

(f) adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution (in each case other than as contemplated by this Agreement) or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy law or consent to the filing of any bankruptcy petition against it under any similar law; or

(g) agreement or commitment by the Company to do any of the things described in this Section 3.17.

3.18 Employee Benefit Plans.

(a) Employee Plans and Agreements. Section 3.18(a) of the Disclosure Schedule sets forth a correct and complete list of each Company Employee Plan. The Company has not committed to establish or enter into any new Company Employee Plan, or to modify any Company Employee Plan in any material respect (except to conform any such Company Employee Plan to the requirements of any applicable Legal Requirements).

(b) Delivery of Documents. As applicable with respect to each Company Employee Plan, the Company has made available to Parent: (i) correct and complete copies of all documents setting forth the terms of each Company Employee Plan, including all amendments; (ii) where the Company Employee Plan has not been reduced to writing, a written summary of all material plan terms; (iii) the most recent summary plan description together with the summaries of material modifications thereto, if any,

with respect to each Company Employee Plan; (iii) all material written Contracts relating to each Company Employee Plan, including administrative service agreements and group insurance contracts; (iv) the annual reports (Form 5500 series) for the last three complete plan years; (v) copies of any employee handbooks or similar employee communications relating to any Company Employee Plan; (vi) in the case of any Company Employee Plan that is intended to be qualified under Section 401(a) of the Code, a copy of the most recent determination letter from the Internal Revenue Service; and (vii) all correspondence to or from any Governmental Body relating to any Company Employee Plan.

(c) Absence of Certain Retiree Liabilities. No Company Employee Plan provides (except at no cost to the Company), or reflects or represents any liability of the Company to provide, retiree life insurance, retiree health benefits or other retiree employee welfare benefits to any Person for any reason, except as may be required by applicable Legal Requirements and at the sole expense of the individual. Other than commitments made that involve no future costs to the Company, the Company has not represented, promised or contracted (whether in oral or written form) to any Company Employee (either individually or to Company Employees as a group) that such Company Employee(s) or other person would be provided with retiree life insurance, retiree health benefit or other retiree employee welfare benefits, except to the extent required by applicable Legal Requirements.

(d) No Defaults. The Company has performed all material obligations required to be performed by it under each Company Employee Plan and is not in material violation of, and the Company does not have any Knowledge of any material violation by any other party to, the terms of any Company Employee Plan. Each of the Company Employee Plans has been operated and administered in all material respects in accordance with applicable Legal Requirements, including the applicable Tax qualification requirements under the Code. All contributions to, and material payments from, any Company Employee Plan which may have been required to be made in accordance with the terms of such Company Employee Plan have been timely made. There are no audits, inquiries, investigations or Legal Proceedings pending or, to the Knowledge of the Company, threatened, by any Person with respect to any Company Employee Plan.

(e) Title IV of ERISA. The Company has not maintained, been a participating employer, contributed to, or has any liability with respect to (i) any “multiemployer plan” as defined in Section 3(37) or Section 4001(a)(3) of ERISA or 414(f) of the Code; (ii) any “multiple employer plan” within the meaning of Section 4063 or 4064 of ERISA or Section 413(c) of the Code; (iii) any other employee benefit plan, fund, program, contract or arrangement that is subject to Section 412 of the Code, Section 302 of ERISA or Title IV of ERISA; (iv) a “multiple employer welfare arrangement (as defined in Section 3(40) of ERISA); or (v) a “welfare benefit trust” or “voluntary employees beneficiary association” within the meaning of Sections 419, 419A or 501(a)(9) of the Code.

(f) Claims Against Plans. There are no pending or, to the Knowledge of the Company, threatened Legal Proceedings against, or, to the Knowledge of the Company, any investigations involving, any of the Company Employee Plans, the assets of any of the Company Employee Plans, any Company Employee Plan administrator or any fiduciary of the Company Employee Plans with respect to the operation of such Company Employee Plans (other than routine, uncontested benefit claims) or asserting any rights or claims to benefits under such Company Employee Plan.

(g) Effect of Transaction. Except as set forth in Section 3.18(g) of the Disclosure Schedule, the execution of this Agreement and the consummation of the transactions, contemplated by this Agreement will not (i) entitle any current or former officer, director or employee of the Company to severance pay, retention bonuses, parachute payments, or any other similar payment, (ii) accelerate the time of payment or vesting, or increase the amount of compensation due any such officer, director or employee (iii) result in any forgiveness of material indebtedness or material obligation to fund benefits with respect to any such officer, director or employee, or (iv) result in any amount failing to be deductible by reason of Section 280G of the Code.

(h) Code Section 409A. With respect to each Company Employee Plan that is a “nonqualified deferred compensation plan” within the meaning of Section 409A(d)(1) of the Code and is subject to Section 409A of the Code, (i) the written terms of such Company Employee Plan have at all times been in material compliance with, and (ii) such Company Employee Plan has, at all times while subject to Section 409A of the Code, been operated in material compliance with, Section 409A of the Code. The Company does not have any obligations under, or with respect to, any Company Employee Plan that could reasonably be expected to be subject to an excise Tax under Section 409A of the Code.

(i) Right to Amend. Except as set forth in the Option Plan, no condition exists that would prevent the Company from amending or terminating any Company Employee Plan without liability to the Company (other than for benefits accrued at the time of termination). Except as set forth in the Option Plan, the Company has expressly reserved the right to amend, modify or terminate any Company Employee Plan, or any portion of it, and has made no representations (whether orally or in writing) that would conflict with or contradict such reservation or right.

3.19 Tax Returns, Payments and Elections.

(a) The Company has filed all Tax Returns as required by applicable law. These Tax Returns are true, complete and correct in all material respects. The Company has paid all Taxes that are due and payable. All Taxes due and owing by the Company, or attributable to the Company’s existence, properties or operations have been timely paid or accrued. The Company has not elected pursuant to the Code, to be treated as a Subchapter S corporation pursuant to Section 1362(a) of the Code. The Company has not had any Tax deficiency proposed or assessed against it and the Company has not executed any waiver of any statute of limitations on the assessment or collection of any Tax. None of the Company’s federal income Tax Returns and none of its state income or franchise Tax or sales or use Tax Returns has ever been audited by Governmental Bodies.

(b) The Company is not a party to any Tax-sharing agreement, Tax indemnity agreement or Tax allocation agreement. The Company has not been a member of an affiliated, combined, consolidated or unitary Tax group for Tax purposes. The Company has no liability for Taxes of any Person under Treasury Regulations Section 1.1502-6 (or any corresponding provision of state, local or foreign Law), as transferee or successor, by contract or otherwise.

(c) All Taxes that the Company is or was obligated to withhold from amounts owing to any employee, creditor or third party have been withheld and paid to the proper Governmental Body.

(d) No claim has been made by any Governmental Body in any jurisdiction where the Company does not file Tax Returns that it is, or may be, subject to Tax by that jurisdiction.

(e) There are no Encumbrances for Taxes (other than for current Taxes not yet due and payable) upon the assets of the Company.

(f) The Company is not a party to, or bound by, any closing agreement or offer in compromise with any Governmental Body. No private letter rulings, technical advice memoranda or similar agreement or rulings have been requested, entered into or issued by any Governmental Body with respect to the Company.

(g) Section 3.19(g) of the Disclosure Schedule sets forth all jurisdictions in which the Company is subject to Tax, is engaged in business or has a permanent establishment.

(h) The Company is not, and during the five years immediately preceding the date hereof, has not been, a United States real property holding company as defined by Code Section 897(c)(2).

(i) During the preceding two years, the Company has not distributed stock of another Person, or had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Code Section 355 or Code Section 361.

(j) Since January 1, 2010, the Company has not participated in any listed transaction within the meaning of Section 1.6011-4(b)(2) of the Treasury Regulations.

(k) The Company is not required to make any adjustment pursuant to Code Section 481(a) (or any predecessor provision) or any similar provision of state, local or foreign tax law by reason of any change in accounting methods. There is no application pending with any Governmental Body requesting permission for any change in the accounting methods of the Company for Tax purposes. No Governmental Body has proposed in writing any such adjustment or change in the Company's accounting methods for Tax purposes.

(I) All transactions or arrangements made by the Company have been made on arm's length terms and the processes by which prices and terms have been arrived at have, in each case, been fully documented. No notice, enquiry or adjustment has been made by any Governmental Body in connection with any such transactions or arrangements.

3.20 Labor Agreements and Actions; Employee Compensation; Employment Law Compliance.

(a) The Company is not and has never been bound by or subject to (and none of its assets or properties is bound by or subject to) any written or oral, express or implied, contract, commitment or arrangement with any labor union, and no labor union, to the Company's Knowledge, has sought to represent any of the Company Employees. There is no, and there has never been any, strike or other labor dispute involving the Company pending, or to the Company's Knowledge, threatened. Except as set forth in Section 3.20(a) of the Disclosure Schedule, no Company Employee has been granted the right to continued employment by the Company or to any material compensation following termination of employment with the Company. To the Company's Knowledge, no key employee, or group of key employees, intends to terminate their employment with the Company, nor does the Company have a present intention to terminate the employment of any key employee or group of key employees. There is not, and has not been for the past three years, any labor organization representing or purporting to represent any employee of the Company, and, to the Company's Knowledge, no labor organization or group of employees is seeking or has sought to organize employees for the purpose of collective bargaining. Since January 1, 2010, there has not been, nor, to the Company's Knowledge, has there been any threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar labor activity or dispute affecting the Company.

(b) The Company: (i) is in material compliance and has complied in all material respects with all applicable Legal Requirements, Contracts and orders, rulings, decrees, judgments or arbitration awards of any arbitrator or any court or other Governmental Body respecting employment, employment practices, terms and conditions of employment, wages, hours, equal opportunity, collective bargaining, workers' compensation, the payment of social security and other employment-related Taxes, or other labor-related matters, including Legal Requirements, orders, rulings, decrees, judgments and awards relating to discrimination, wages and hours, labor relations, leave of absence requirements, occupational health and safety, privacy, harassment, retaliation, immigration, wrongful discharge or violation of the personal rights of Company Employees (or prospective employees or other service providers); (ii) has no liability for any arrears of wages or any employment Taxes or any penalty for failure to comply with any of the foregoing; and (iii) has no liability for any payment to any trust or other fund governed by or maintained by or on behalf of any Governmental Body with respect to unemployment compensation benefits, social security or other benefits or obligations for any Company Employee (other than routine payments to be made in the normal course of business and consistent with past practice).

(c) There are, and there have been, no actions, suits, claims, investigations or other legal proceedings against the Company pending, or to the Company's Knowledge, threatened to be brought or filed, by or with any Governmental Body or arbitrator in connection with the employment of any current or former employee of the Company, including any claim relating to unfair labor practices, employment discrimination, harassment, retaliation, equal pay or any other employment related matter arising under applicable Legal Requirements.

(d) Section 3.20(d) contains a list of all persons who are employees, independent contractors or consultants of the Company as of the date hereof, and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full or part time); (iii) hire date; (iv) current annual base compensation rate; (v) commission, bonus or other incentive-based compensation; (vi) Fair Labor Standards Act (29 U.S.C. 201, et seq.) ("FLSA") designation; and (vii) visa and green card application status. The Company has properly classified the Company Employees pursuant to the FLSA.

(e) The Company has complied with all provisions of the Immigration Reform and Control Act of 1986, as amended, and all regulations promulgated thereunder ("IRCA") requiring that it (i) complete Forms I-9 for all current employees hired after November 6, 1986 and (ii) reverify the employment eligibility of all current employees who listed expiration dates for their employment eligibility on Form I-9 and/or who presented certain employment eligibility documents to the Company with expiration dates. Section 3.20(e) of the Disclosure Schedule contains a true and complete list of all employees of the Company working under DHS authorization in E, F, H, J, L, M, O, P, or TN nonimmigrant visa status or with pending petitions, including specific reference to each such employee's nonimmigrant classification, the exact date (month/day/year) each such employee's current nonimmigrant status expires, and any steps taken by the Company to extend, amend, or change each such employee's current nonimmigrant status. The Company has made all immigration records, including current files containing all Labor Condition Applications ("LCA") and related public access documentation pertaining to those employees and individuals available to Parent.

3.21 Environmental Matters. The Company, the Real Property and the Company's operations are and have been in compliance in all material respects with all applicable Environmental Laws. The Company possesses all Environmental Licenses and other Governmental Authorizations required under applicable Environmental Laws and has been in material compliance with the terms and conditions thereof. The Company has not received any notice or threatened action from a Governmental Body that alleges that the Company is not in compliance with any applicable Environmental Law. To the Knowledge of the Company, no current or prior owner of any property owned, leased or controlled by the Company has received any notice from any Government Body that alleges that such current or prior owner or the Company has not been in compliance with any applicable Environmental Law. The Company has not caused or contributed to any Environmental Release. The Company has made available

to Parent accurate and complete copies of all internal and external environmental reports, audits and assessment studies in its possession or control, if any, relating to the Company, its operations, or the Real Property and has also made available to Parent all correspondence regarding environmental matters relating to the Company or its operations.

3.22 Insurance. Section 3.22 of the Disclosure Schedule set forth a list of all insurance policies maintained by the Company. Each of such insurance policies is in full force and effect and the Company is not in default under any such insurance policy. Since December 31, 2012, the Company has not received any written notice regarding any actual or possible: (a) cancellation or invalidation of any insurance policy; (b) refusal of any coverage or rejection of any claim under any insurance policy; or (c) material adjustment in the amount of the premiums payable with respect to any insurance policy. There are no self-insurance arrangements affecting the Company. To the Knowledge of the Company, such insurance policies are of the type and in the amounts customarily carried by Persons conducting a business similar to the Company and are sufficient for compliance with all applicable Legal Requirements and agreements to which the Company is a party or by which it is bound.

3.23 Real Property Holding Corporation. The Company is not a “United States real property holding corporation” within the meaning of the Code and any applicable regulations promulgated thereunder.

3.24 Brokers or Finders. The Company has not incurred or agreed to incur, any liability for brokerage or finders’ fees, agents’ commissions or other similar charges in connection with this Agreement or any of the transactions contemplated hereby.

3.25 Compliance with Legal Requirements.

(a) The Company is and has been in compliance in all material respects with all Legal Requirements applicable to it or its business, properties or assets. No notice has been issued and no proceeding is pending or, to the Knowledge of the Company, threatened against the Company with respect to any alleged material violation by the Company of any Legal Requirement.

(b) The Company’s current and planned products are not required to be cleared or approved by the Food and Drug Administration (“FDA”) or any other Governmental Body prior to their manufacture, distribution, sale and marketing. The Company has no Knowledge of any actual or threatened enforcement action or investigation by the FDA or any other Governmental Body, and the Company has no Knowledge or reason to believe that the FDA or any other Governmental Body is considering such action.

(c) The Company and, to the Company’s Knowledge, all directors, officers, agents, independent contractors and employees of the Company have not, in violation of applicable Legal Requirements, directly or indirectly made any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to any Person, private or public, regardless of form, whether in money, property, or services, (i) to obtain favorable treatment in securing business for the Company, (ii) to pay for favorable treatment for business secured for the Company, or (iii) to obtain special concessions, or for special concessions already obtained, for or in respect of the Company’s business.

3.26 Undisclosed Liabilities; Indebtedness. As of the date of this Agreement, the Company does not have any liabilities or obligations, except (a) liabilities disclosed, reflected or reserved for in the Financial Statements, (b) liabilities of the same nature as those set forth on the balance sheet included in the Year-End Financial Statements and incurred in the ordinary course of business consistent with past practice after December 31, 2013 and that are not, individually or in the aggregate, material in amount, (c) as listed in Section 3.26 of the Disclosure Schedule, and (d) performance obligations under Contracts made in the ordinary course of business. As of the date of this Agreement, the Company has no Indebtedness, except as set forth in Section 3.26 of the Disclosure Schedule.

3.27 No Material Adverse Effect. As of the date of this Agreement, there has not been any Material Adverse Effect or any event that would reasonably be expected to result in a Material Adverse Effect.

4. REPRESENTATIONS AND WARRANTIES OF ULTIMATE PARENT, PARENT AND MERGER SUB

Each of Ultimate Parent, Parent and Merger Sub represents and warrants to the Company as follows:

4.1 Due Organization. Each of the Ultimate Parent, Parent and Merger Sub is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has full power and authority to conduct its business in the manner in which its business is currently being conducted and to own and use its assets in the manner in which its assets are currently owned and used.

4.2 Non-Contravention; Consents.

(a) Non-Contravention. Neither: (i) the execution, delivery or performance of this Agreement or any of the other agreements referred to in this Agreement; nor (ii) the consummation of the Merger or any of the other transactions contemplated by this Agreement or any of such other agreements, documents or instruments, will (with or without notice or lapse of time) contravene, conflict with or result in a violation of any of the provisions of the organizational documents of Ultimate Parent, Parent or Merger Sub or any provision of any material contract to which Ultimate Parent, Parent or Merger Sub is bound.

(b) Consents. Except for the filing of the Certificate of Merger with the Secretary of State of the State of Delaware and the filings, consents and authorizations required under any applicable Antitrust Law, none of Ultimate Parent, Parent or Merger Sub will be required to make any filing with or give any notice to, or to obtain any Consent from, any Person in connection with: (i) the execution, delivery or performance of this Agreement or any of the other agreements referred to in this Agreement; or (ii) the consummation of the Merger or any of the other transactions contemplated by this Agreement.

4.3 Authority; Binding Nature of Agreement. Each of Ultimate Parent, Parent and Merger Sub has the power and authority to enter into and perform its obligations under this Agreement and under each other agreement referred to in this Agreement to which it is a party; and the execution, delivery and performance by Ultimate Parent, Parent and Merger Sub of this Agreement and any of each such other agreement have been duly authorized by all necessary action on the part of Ultimate Parent, Parent and Merger Sub. This Agreement and each other agreement referred to in this Agreement to which Ultimate Parent, Parent or Merger Sub is a party constitutes the legal, valid and binding obligation of Ultimate Parent, Parent and Merger Sub, as the case may be, enforceable against it in accordance with its terms, subject to: (a) laws of general application relating to bankruptcy, insolvency and the relief of debtors; and (b) rules of law governing specific performance, injunctive relief and other equitable remedies.

4.4 Legal Proceedings. There is no pending Legal Proceeding and, to the Knowledge of Ultimate Parent, Parent and Merger Sub, no Person has threatened to commence any Legal Proceeding, that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, the Merger or any of the other transactions contemplated by this Agreement.

4.5 Due Diligence Investigation. Ultimate Parent, Parent and Merger Sub have had an opportunity to discuss the business, management, operations and finances of the Company with the Company's officers, directors, employees, agents, representatives and Affiliates, and have had an opportunity to inspect the facilities of the Company. Ultimate Parent, Parent and Merger Sub have conducted their own independent investigation of the Company. Ultimate Parent, Parent and Merger Sub have entered into the transactions contemplated by this Agreement with the understanding, acknowledgement and agreement that no representations or warranties, express or implied, are made with respect to any projection or forecast regarding future results or activities or the probable success or profitability of the Company. Ultimate Parent, Parent and Merger Sub acknowledge that no current or former stockholder, director, officer, employee, Affiliate or advisor of the Company has made or is making any representations, warranties or commitments whatsoever regarding the subject matter of this Agreement.

4.6 Sufficient Funds. As of the date hereof, Parent has sufficient funds available to it, without requiring the prior consent, approval or other discretionary action of any third party, to make the payments required under Section 1 and to pay all fees and expenses to be paid by Parent and Merger Sub in connection with the Investment Closing, and, as of the Merger Closing Date, Parent will have sufficient funds or sources of funds available to it to make the payments required under Section 2, to pay all fees and expenses to be paid by Parent and Merger Sub in connection with the transactions contemplated by this Agreement, and to satisfy any other payment obligations that may arise in connection with, or may be required in order to consummate, the transactions contemplated by this Agreement. Parent and Merger Sub expressly acknowledge that Parent's and Merger Sub's ability to obtain financing is not a condition to the obligations of Parent and Merger Sub hereunder.

4.7 Brokers or Finders. None of Ultimate Parent, Parent and Merger Sub has incurred or agreed to incur any liability for brokerage or finders' fees, agents' commissions or other similar charges in connection with this Agreement or any of the transactions contemplated hereby.

4.8 No Other Representations or Warranties. Each of Ultimate Parent, Parent and Merger Sub acknowledges and agrees that, except for the representations and warranties expressly set forth in Section 3 (as modified by the Disclosure Schedules) and in the Related Documents and the Company Merger Closing Certificate, neither the Company nor any other Person makes any other express or implied representation or warranty with respect to the Company or the transactions contemplated by this Agreement, and the Company disclaims any other representations or warranties, whether made by the Company or any other Person (including its Affiliates, stockholders, officers, directors, employees, agents or representatives). The Company makes no representations or warranties to Ultimate Parent, Parent or Merger Sub regarding any projection or forecast regarding future results or activities or the probable success or profitability of the Company.

4.9 Investment Representations. Parent understands that the Parent Shares have not been registered under the Securities Act and that the Parent Shares are being offered and sold pursuant to an exemption from registration contained in the Securities Act based in part upon Parent's representations contained in the Agreement. The Parent Shares will be acquired by Parent for its own account, and not as a nominee or agent, for investment purposes and not with a view to, or for sale in connection with, any distribution. Parent does not presently have any contract, undertaking or agreement with any Person to sell, transfer or grant participation rights to any Person with respect to any of the Parent Shares. Parent is an "accredited investor" within the meaning of Rule 501(a) promulgated under the Securities Act. Parent acknowledges and agrees that the Parent Shares must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Parent acknowledges that, except as set forth in the Investors' Rights Agreement, the Company has no obligation to register or qualify the Parent Shares for resale and that if an exemption from registration or qualification is available, such exemption may be conditioned on various requirements including, without limitation, the time and manner of sale of the Parent Shares and the holding period for the Parent Shares, as well as various requirements relating to the Company which are outside of Parent's control and which the Company is under no obligation and may not be able to satisfy. Parent believes it has received all the information it considers necessary or appropriate for deciding whether to purchase the Parent Shares. Parent further represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Parent Shares and the business, properties, financial condition and prospects of the Company.

5. CERTAIN PRE-MERGER CLOSING COVENANTS

5.1 Access and Investigation. During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement pursuant to Section 9 or the Effective Time (the "Pre-Merger Closing Period"), the Company shall, and shall cause its Representatives to: (a) provide Parent and Parent's Representatives with reasonable access during normal business hours to the Company's Representatives, personnel and assets and to existing books, records, Tax Returns, work papers and other documents and information relating to the Company; and (b) provide Parent and Parent's Representatives with copies of such

existing books, records, Tax Returns, work papers and other documents and information relating to the Company, and with such additional financial, operating and other data and information regarding the Company, as Parent may reasonably request.

5.2 Operation of the Business of the Company. During the Pre-Merger Closing Period, except as contemplated by this Agreement, without the prior written consent of Parent (which consent shall not be unreasonably withheld, conditioned or delayed):

(a) the Company shall not conduct its business and operations except in the ordinary course;

(b) the Company shall not declare, accrue, set aside or pay any dividend or make any other distribution in respect of any shares of capital stock, or make any other actual, constructive or deemed distribution in respect of any shares of capital stock or otherwise make any payments to stockholders in their capacity as such;

(c) the Company shall not commit to, or make, any material capital expenditures not contemplated by the Company's business plan as in effect on the date of the Investment Closing, other than in the ordinary course of business;

(d) the Company shall not sell, license, transfer or dispose of any of its material assets, other than in the ordinary course of business or in connection with sales or licenses of its products;

(e) the Company shall not: (i) incur any Indebtedness in excess of \$5 million in the aggregate after the date of the Investment Closing, other than in the ordinary course of business; or (ii) permit any of its assets or properties to become subject to any material Encumbrance;

(f) the Company shall not make any material change to the compensation or benefits of any of the executives, employees or directors of the Company other than in the ordinary course of business;

(g) the Company will not make any loans to any of its officers, directors, employees, Affiliates, agents or consultants (other than business expense advances in the ordinary course of business);

(h) the Company will not enter into or amend any agreement or take any other action if any such agreement, amendment or action would require the consent of any third party to the consummation of the transactions contemplated by this Agreement or would reasonably be expected to cause any of the conditions to the Closing set forth in Section 7 to fail to be satisfied as of the Merger Closing Date (including the issuance of any capital stock to any party that will not approve this Agreement and the transactions contemplated hereby and cause the Required Merger Stockholder Votes to be rescinded or not otherwise met);

(i) the Company will not enter into any Contract that results in a Capital Lease Obligation or otherwise incur any Capital Lease Obligations if the aggregate amount under all Capital Lease Obligations entered into or otherwise incurred after the Investment Closing Date would exceed \$200,000 (it being acknowledged and agreed that this Section 5.2(i) will not apply to any lease related to real property or any improvements to real property to the extent reflected in the Company's business plan as in effect on the date of the Investment Closing); and

(j) the Company will not authorize any of, or commit, resolve or agree to take any of the foregoing actions.

5.3 Notification of Updates. During the Pre-Merger Closing Period, each party hereto shall promptly notify the other parties hereto in writing of: (a) any event, condition, fact or circumstance that occurs, arises or exists after the date of this Agreement and that could cause or constitute a material breach of or a material inaccuracy in any representation or warranty made by such party in this Agreement if such representation or warranty had been made as of the time of the occurrence, existence or discovery of such event, condition, fact or circumstance; (b) any material breach of any covenant or obligation of such party; (c) any event, condition, fact or circumstance that would make the timely satisfaction of any of the conditions set forth in Section 7 or Section 8 impossible or unlikely; (d) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement; and (e) any notice or other communication from any Governmental Body in connection with the transactions contemplated by this Agreement. In addition, during the Pre-Merger Closing Period, the Company will promptly notify Parent of: (x) any issuance, sale or other disposition of any capital stock, or grant of any options other than to employees under the Option Plan, warrants or other rights to purchase or obtain (including upon conversion, exchange or exercise) any capital stock (other than as contemplated by this Agreement); (y) any acceleration, termination, material modification to or cancellation of, or any waiver of any material right under, any Material Contract, and any entrance into any Contract with any Insider or Affiliate; and (z) incurrence, assumption or guarantee of any Indebtedness, except unsecured current obligations and liabilities incurred in the ordinary course of business consistent with past practice. No notifications under this Section 5.3 will affect the Parent Indemnified Parties' rights to indemnification under Section 10.

5.4 Stockholder Consents.

(a) The Company shall use commercially reasonable efforts to obtain, as promptly as practicable, the Required Merger Stockholder Votes, either at a special meeting of stockholders or pursuant to a written stockholder consent, all in accordance with the applicable requirements of the DGCL. If the Required Merger Stockholder Votes are obtained by means of a written consent, pursuant to Sections 228 and 262(d) of the DGCL, the Company shall send a written notice to all stockholders of the Company that did not execute such written consent informing them that this Agreement and the Merger were adopted and approved by the stockholders of the Company and that appraisal rights are available pursuant to Section 262 of the DGCL (which notice shall include a copy of such Section 262).

(b) The Company shall use commercially reasonable efforts to obtain, as promptly as practicable, the Required Certificate Amendment Votes, either at a special meeting of stockholders or pursuant to a written stockholder consent, all in accordance with the applicable requirements of the DGCL. If the Required Certificate Amendment Votes are obtained by means of a written consent, pursuant to Section 228 of the DGCL, the Company shall send a written notice to all stockholders of the Company that did not execute such written consent informing them that the Certificate Amendment was adopted and approved by the stockholders of the Company.

5.5 Pre-Merger Services. The Parent and the Company will negotiate in good faith and use commercially reasonable efforts to enter into an agreement or agreements addressing the services and obligations set forth on *Appendix 1* attached hereto within sixty (60) days after the Investment Closing.

6. CERTAIN COVENANTS OF THE PARTIES

6.1 Filings and Consents.

(a) Filings. Each party to this Agreement shall use commercially reasonable efforts to file, as soon as practicable after the date of this Agreement, all notices, reports and other documents required to be filed by such party with any Governmental Body with respect to the Merger and the other transactions contemplated by this Agreement, and to submit promptly any additional information requested by any such Governmental Body. Each Party to this Agreement shall respond as promptly as practicable to any inquiries or requests received from any state attorney general, antitrust authority or other Governmental Body in connection with antitrust or related matters. Subject to the confidentiality provisions of the Confidentiality Agreement, each of Parent and the Company shall promptly supply the other with any information which may be required in order to effectuate any filings (including applications) pursuant to (and to otherwise comply with its obligations set forth in) this Section 6.1. Promptly following Parent's receipt of written notice of the Commercial Milestone Achievement from the Company, Parent and the Company will determine whether premerger notification under any applicable Antitrust Law is required; provided that the Parent and the Company acknowledge and agree that, as of the date of this Agreement, no premerger notification is required under any applicable Antitrust Law. If such parties determine that any such notification is required, each party to this Agreement will use commercially reasonable efforts to file, as soon as practicable after such determination, each required notification, and to submit promptly any additional information requested by any applicable Governmental Body. Parent and the Company will equally split all filing fees payable under the HSR Act and any other applicable Antitrust Law.

(b) Efforts. Each Party to this Agreement shall use commercially reasonable efforts to take, or cause to be taken, all actions necessary to consummate the Merger and make effective the other transactions contemplated by this Agreement. Without limiting the generality of the foregoing, each party to this Agreement: (i) shall make all filings (if any) and give all notices (if any) required to be made and given by such party in connection with the Merger and the other transactions contemplated by this Agreement; and (ii) shall use commercially reasonable efforts to obtain each Consent (if any) required to be obtained (pursuant to any applicable Legal Requirement, Contract, or

otherwise) by such party in connection with the Merger or any of the other transactions contemplated by this Agreement. Notwithstanding the foregoing, nothing in this Section 6.1 requires the Ultimate Parent, Parent or any of their Affiliates to propose, negotiate, effect or agree to, the sale, divestiture, license or other disposition of any assets or businesses or otherwise take any action that limits the Ultimate Parent's, Parent's or any such Affiliate's freedom of action with respect to, or its ability to retain any businesses, product lines or assets.

6.2 Public Announcements. Unless otherwise required by applicable Legal Requirements or stock exchange requirements (based upon the reasonable advice of counsel), no party to this Agreement will make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other parties (which consent will not be unreasonably withheld or delayed), and the parties will cooperate as to the timing and contents of any such announcement. Notwithstanding the foregoing, Ultimate Parent and Parent may include disclosures relating to this Agreement and the transactions contemplated herein in Ultimate Parent's filings with the Securities and Exchange Commission (the "SEC"), and otherwise as required by the SEC and Nasdaq; provided, that Ultimate Parent will make good faith efforts to provide Stockholders' Agent with written notice of any such disclosures made prior to the Merger Closing and will consider in good faith the views of Stockholders' Agent with respect to such disclosures, except to the extent that any such disclosures are substantially similar to the information contained in previous public disclosures made by Ultimate Parent or Parent.

6.3 Reasonable Efforts. Prior to the Merger Closing: (a) the Company shall use commercially reasonable efforts to cause the conditions set forth in Section 7 to be satisfied on a timely basis; and (b) Ultimate Parent, Parent and Merger Sub shall use commercially reasonable efforts to cause the conditions set forth in Section 8 to be satisfied on a timely basis.

6.4 Tax Returns. Parent shall prepare and timely and properly file or cause to be prepared and timely and properly filed all Tax Returns with respect to the Company or in respect of its business, assets, or operations which Tax Returns are for taxable periods that begin on or before the Merger Closing Date and are due (taking timely-requested extensions into account) after the Merger Closing Date.

6.5 D&O Indemnification and Insurance.

(a) The Company shall obtain, at the sole expense of the Securityholders, "tail" directors' and officers' liability insurance coverage for the Company's directors and officers immediately prior to the Effective Time, which shall provide such directors and officers with coverage with respect to claims arising out of or relating to events which occurred on or prior to the Effective Time (including in connection with the transactions contemplated by this Agreement) for six years following the Effective Time of not less than the existing coverage under, and have other terms not less favorable to, the insured persons than the directors' and officers' liability insurance coverage presently maintained by the Company (the "Tail Insurance").

(b) During the period commencing at the Effective Time and ending on the sixth anniversary of the Effective Time, the Surviving Corporation shall (and Parent shall cause the Surviving Corporation to) cause the organizational documents of the Surviving Corporation to contain provisions with respect to indemnification, exculpation and the advancement of expenses, covering acts and omissions of the Company's current or former directors and officers (each, a "D&O Indemnified Party" and collectively, the "D&O Indemnified Parties"), in each case in their capacities as officers or directors of the Surviving Corporation, occurring at or prior to the Effective Time, that are at least as favorable as the indemnification, exculpation and advancement of expenses provisions contained in the organizational documents of the Surviving Corporation as of the date hereof, and, during such six-year period, except as required by applicable Legal Requirements, such provisions shall not be repealed, amended or otherwise modified in any manner that adversely affects the rights of the D&O Indemnified Parties thereunder.

(c) If Parent or the Surviving Corporation or any of their successors or assigns shall (i) consolidate with or merge into any other Person and shall not be the continuing or surviving Person of such consolidation or merger or (ii) transfer all or substantially all of its properties and assets to any Person, then, in each such case, proper provisions shall be made so that the successors and assigns of Parent or the Surviving Corporation, as the case may be, assume all of the obligations of Parent or the Surviving Corporation, as the case may be, set forth in this Section 6.5.

(d) The provisions of this Section 6.5 shall survive the consummation of the Merger and (i) are intended to be for the benefit of, and shall be enforceable by, each D&O Indemnified Party and his or her heirs and representatives and (ii) are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such Person may have by contract or otherwise. The obligations of Parent and the Surviving Corporation under this Section 6.5 shall not be terminated or modified in such a manner as to adversely affect the rights of any D&O Indemnified Party under this Section 6.5 without the consent of such affected D&O Indemnified Party.

6.6 Continuing Employees.

(a) Subject to applicable Legal Requirements, as of the Effective Time, Parent shall provide individuals who are employed by the Company immediately prior to the Effective Time and are employed by Parent or one of its Affiliates after the Effective Time (a "Continuing Employee") with salaries, wages, bonuses and other compensation substantially comparable to the salaries, wages, bonuses and other compensation provided by the Company at the Effective Time and with employee benefits pursuant to the terms of employee benefit arrangements of Parent and its Affiliates (such arrangements the "Parent Benefit Arrangements") that are substantially comparable in the aggregate to the employee benefits provided under the Parent Benefit Arrangements to similarly situated employees of Parent within the same region or country, as applicable. The obligations of Parent and its Affiliates under this Section 6.6(a) are only applicable as of the Effective Time and will not continue for any period of time following the Effective Time.

(b) Subject to applicable Legal Requirements, Parent shall: (i) provide credit to the Continuing Employees for their past service with the Company for purposes of eligibility and vesting under the Parent Benefit Arrangements; (ii) grant the Continuing Employees such service credit for purposes of Parent's vacation leave policy; (iii) cause any and all pre-existing condition limitations, eligibility waiting periods and evidence of insurability requirements under any Parent Benefit Arrangements that are group health plans to be waived with respect to such Continuing Employees and their eligible dependents; and (iv) use commercially reasonable efforts to provide Continuing Employees with credit for any co-insurance payments and deductibles made during the plan year in which the Effective Time occurs for the purposes of satisfying any applicable deductible, out-of-pocket, or similar requirements under any Parent Benefit Arrangements in which they are eligible to participate after the Merger Closing Date.

6.7 Call Right. If the Merger Closing does not occur on or before September 1, 2015, then, at any time thereafter, the Company shall have the right to purchase all of the Parent Shares held by Parent and its assignees, transferees and successors (the "Repurchase") in exchange for a cash payment equal to the sum of (a) the Investment Purchase Price *plus* (b) the *product* of (i) the Investment Purchase Price, (ii) four percent (4%) and (iii) the quotient of (A) the number of complete days that have elapsed between the Investment Closing Date and the date of the Repurchase and (B) three hundred and sixty-five (365) (the "Repurchase Price") by providing written notice to Parent and its assignees, transferees and successors of the Company's election of such right (the "Repurchase Notice"). The Company shall effect the Repurchase on a date that is not more than one-hundred twenty (120) days after it provides written notice of the Repurchase election to Parent and its assignees, transferees and successors (the "Repurchase Closing"). At the Repurchase Closing, (1) Parent (or its assignees, transferees or successors) will deliver to the Company the original stock certificate evidencing the Parent Shares, free and clear of all Encumbrances, and a duly executed irrevocable stock power for the Parent Shares executed in blank by Parent in form and substance satisfactory to the Company and (2) Company will deliver to Parent the Repurchase Price. In addition to all of the other restrictions on, and obligations of, Parent with respect to any sale, assignment or other transfer of the Parent Shares under the Company's bylaws, certificate of incorporation, the ROFR Agreement, the Investors' Rights Agreement, the Voting Agreement and applicable law, as a condition precedent to any sale, assignment or other transfer of any Parent Shares, the purchaser, assignee or transferee of such Parent Shares shall agree in writing with the Company that such purchaser, assignee or transferee and such Parent Shares shall be subject to the rights of the Company, and the obligations of Parent, under this Section 6.7.

6.8 Commercial Milestone Updates. Within ten days after the end of each month following the Investment Closing, the Company will provide Parent with a written report setting forth its progress in meeting the Commercial Milestone Achievement, including a list of the customers to which CyPlex™ analyzers have been sold and the nature of such customers, the number of CyPlex™ cartridges that have been sold, and any discounts granted in connection with such sales. Upon achievement of the Commercial Milestone Achievement, the Company will provide prompt written notice to Parent of such achievement. At reasonable times during normal business hours and upon reasonable notice provided to the Company, the Company shall permit the Parent and its Representatives to examine the financial books and records of the Company to the extent necessary for the Company to verify the progress toward and achievement of the Commercial Milestone Achievement.

6.9 No Solicitation of Other Bids.

(a) During the Pre-Merger Closing Period, the Company will not, and will not authorize any of its Affiliates or Representatives to, directly or indirectly, (a) encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (b) discuss or negotiate with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (c) recommend or enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. During the Pre-Merger Closing Period, the Company will immediately cease and cause to be terminated, and will cause its Affiliates and Representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Persons conducted heretofore with respect to, or that could lead to, an Acquisition Proposal.

(b) In addition to the other obligations under this Section 6.9, the Company will promptly (and in any event within one Business Day after receipt thereof by the Company or its Representatives) advise Parent orally and in writing of any Acquisition Proposal, any request for information with respect to any Acquisition Proposal, or any inquiry with respect to or that could reasonably be expected to result in an Acquisition Proposal, the material terms and conditions of such request, Acquisition Proposal or inquiry, and the identity of the Person making the same; provided, that the Company shall not be obligated to disclose to Parent any of such material terms and conditions of such request, Acquisition Proposal or inquiry, and/or the identity of the Person making the same if the Company is under an obligation of confidentiality to a third party with respect to such information.

6.10 Option Holder and Warrant Holder Agreements. Prior to the Merger Closing, the Company will use commercially reasonable efforts to obtain (a) executed Agreements of Option Holder from the holders of all outstanding Company Options, substantially in the form of Exhibit G attached to this Agreement (the “Agreements of Option Holder”), and (b) executed Agreements of Warrant Holder from the holders of all outstanding Company Warrants, substantially in the form of Exhibit H attached to this Agreement (the “Agreements of Warrant Holder”).

7. CONDITIONS PRECEDENT TO MERGER OBLIGATIONS OF PARENT AND MERGER SUB

The obligations of Parent and Merger Sub to consummate the Merger and to otherwise consummate the transactions related to the Merger contemplated by this Agreement are subject to the satisfaction (or waiver by Parent), at or prior to the Merger Closing, of each of the following conditions:

7.1 Accuracy of Representations. Each of the representations and warranties made by the Company in Sections 3.1, 3.4, 3.9, 3.19 and 3.25 shall be accurate in all material respects as of the Merger Closing Date as if made on and as of the Merger Closing Date (it being understood that any inaccuracies of such representations and warranties that are not adverse to the Company will be disregarded for purposes of this determination). Each of the other representations and warranties made by the Company in Section 3 of this Agreement shall be accurate as of the Merger Closing Date as if made on and as of the Merger Closing Date except for inaccuracies of such representations and warranties the circumstances giving rise to which do not constitute, in the aggregate, a Material Adverse Effect.

7.2 Performance of Covenants. All of the covenants and obligations that the Company is required to comply with or to perform at or prior to the Merger Closing shall have been complied with and performed in all material respects.

7.3 Governmental Consents. All filings with, and other Consents of, all Governmental Bodies required to be made and obtained by the Company in connection with the Merger and the other transactions contemplated by this Agreement shall have been made and obtained by the Company, as the case may be, and shall be in full force and effect and, if applicable, any waiting period under the HSR Act shall have expired or been terminated.

7.4 No Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any Material Adverse Effect.

7.5 Stockholder Approval. The Required Merger Stockholder Votes will continue to be in effect for the adoption of this Agreement and approval of the other transactions contemplated by this Agreement and will not have been rescinded, and the number of Dissenting Shares will not exceed five percent (5%) of the number of outstanding shares of Company Capital Stock as of the Effective Time.

7.6 Agreements and Documents. Parent shall have received the following agreements and documents, each of which shall be in full force and effect:

(a) the Escrow Agreement, duly executed by the Stockholders' Agent and the Escrow Agent;

(b) a certificate duly executed on behalf of the Company by the chief executive officer of the Company and containing the representation and warranty of the Company that the conditions set forth in Sections 7.1, 7.2, 7.3, 7.4, 7.5, and 7.8 have been duly satisfied (the "Company Merger Closing Certificate");

(c) written resignations of all officers and directors of the Company, effective as of the Effective Time;

(d) the Certificate of Merger, duly executed by the Company;

(e) certificates of good standing/legal existence issued by the Secretary of State of the States of Delaware and Connecticut dated within ten (10) days prior to the Merger Closing Date;

(f) not more than 30 days prior to the Merger Closing, a certificate in such form as may be reasonably requested by counsel for the Parent certifying that the Company is not on the date of the certificate a United States real property holding company as that term is defined in Code Section 897(c)(2), and has not been such during the five year period immediately preceding the date of such certificate;

(g) all material authorizations, approvals and consents from third parties that are required by the Company in connection with the consummation of the Merger that were not obtained as of the Investment Closing; and

(h) from each holder of any Indebtedness of the Company outstanding as of the Merger Closing Date, a duly executed payoff letter and release setting forth the total amount of outstanding Indebtedness due such Person, including accrued interest and any prepayment fees or penalties, as of the Merger Closing Date, and a release of any Encumbrances relating to such Indebtedness upon payment in full of the amounts due to such Person.

7.7 No Restraints. No temporary restraining order, preliminary or permanent injunction or other order preventing the consummation of the Merger shall have been issued by any court of competent jurisdiction and remain in effect, and there shall not be any Legal Requirement enacted or deemed applicable to the Merger that makes consummation of the Merger illegal.

7.8 Achievement of Commercial Milestones. The Company shall have (a) sold, leased or licensed a CyPlex™ analyzer to at least ten (10) separate, independent, unaffiliated third-party customers, including at least one for-profit pharmaceutical customer and (b) sold at least five hundred (500) CyPlex™ cartridges (the “Commercial Milestone Achievement”); provided, that (i) any sale of a CyPlex™ analyzer made for less than \$15,000, (ii) any lease or license of a CyPlex™ analyzer made at a discount of more than 50% from the Company’s then most current advertised list lease or license price for such product, (iii) any sale of a CyPlex™ cartridge for less than the product of (1) \$2.50, *multiplied by* (2) the number of analytes in each well in such cartridge, *multiplied by* (3) the number of wells in such cartridge (for example, a 16 well, 8 analyte cartridge that is sold for less than \$320 would be excluded from the calculation of the Commercial Milestone Achievement), or (iv) any sale, lease or license of any such products to Parent and its Affiliates, will not be treated as a sale, lease or license for purposes of determining whether the Commercial Milestone Achievement has occurred; and the Company shall have provided Parent with written certification of the same. For purposes of clarification, all sales, leases, licenses of CyPlex™ analyzers and cartridges that have occurred prior to the date of this Agreement count toward the Commercial Milestone Achievement.

8. CONDITIONS PRECEDENT TO MERGER OBLIGATIONS OF THE COMPANY

The obligations of the Company to consummate the Merger and to otherwise consummate the transactions related to the Merger contemplated by this Agreement are subject to the satisfaction (or waiver by the Company), at or prior to the Merger Closing, of each of the following conditions:

8.1 Accuracy of Representations. Each of the representations and warranties made by Ultimate Parent, Parent and Merger Sub in this Agreement shall be accurate in all material respects as of the Merger Closing Date as if made on and as of the Merger Closing Date, other than representations and warranties which by their terms are made as of a specific date, which shall have been accurate in all material respects as of such date.

8.2 Performance of Covenants. All of the covenants and obligations that Ultimate Parent, Parent and Merger Sub are required to comply with or to perform at or prior to the Merger Closing shall have been complied with and performed in all material respects.

8.3 No Material Adverse Effect. Since the date of this Agreement, there shall not have occurred any Parent Material Adverse Effect.

8.4 Stockholder Approval. The Required Merger Stockholder Votes will continue to be in effect for the adoption of this Agreement and approval of the other transactions contemplated by this Agreement and will not have been rescinded.

8.5 Documents. The Company shall have received the following agreements and documents: (a) the Escrow Agreement, duly executed by Parent and the Escrow Agent; and (b) a certificate duly executed on behalf of Parent by an officer of Parent and containing the representation and warranty of Parent that the conditions set forth in Sections 8.1, 8.2, 8.3 and 8.7 have been satisfied (the “Parent Merger Closing Certificate”).

8.6 No Restraints. No temporary restraining order, preliminary or permanent injunction or other order preventing the consummation of the Merger shall have been issued by any court of competent jurisdiction and remain in effect, and there shall not be any Legal Requirement enacted or deemed applicable to the Merger that makes consummation of the Merger illegal.

8.7 Governmental Consents. All filings with, and other Consents of, all Governmental Bodies required to be made and obtained by Ultimate Parent, Parent and Merger Sub in connection with the Merger and the other transactions contemplated by this Agreement shall have been made and obtained by Ultimate Parent, Parent and Merger Sub, as the case may be, and shall be in full force and effect and, if applicable, any waiting period under the HSR Act shall have expired or been terminated.

8.8 Delivery of Merger Consideration. Parent shall have delivered by wire transfer of immediately available funds (a) the Escrow Amount to the Escrow Agent, (b) the Stockholder Expense Fund Initial Amount to the Stockholder Expense Fund Agent, (c) the Payment Fund to the Payment Agent and (d) the consideration payable to the holders of the Outstanding Options set forth in Section 2.7(a)(i) to such holders through the payroll service of the Company.

9. TERMINATION

9.1 Termination Events. This Agreement may be terminated prior to the Merger Closing (whether before or after the adoption of this Agreement by the Company’s stockholders):

(a) by the mutual written consent of Parent and the Company;

(b) by Parent or the Company if the Investment Closing has not taken place on or before 5:00 p.m. (Eastern time) on April 7, 2014;

(c) by Parent or the Company if the Commercial Milestone Achievement has not occurred on or before 5:00 p.m. (Eastern time) on the first anniversary of the Investment Closing Date; provided that such date may be extended by Parent for a period of ninety (90) days if Parent provides written notice to the Company of its election to so extend such date at any time prior to the first anniversary of the Investment Closing Date;

(d) by Parent if the Merger Closing has not taken place on or before 5:00 p.m. (Eastern time) on the earlier of (i) September 1, 2015 and (ii) the date that is the first Business Day of the first month that is no less than thirty (30) days (or sixty (60) days, if any approval or waiting period is required under any applicable Antitrust Law prior to consummation of the Merger) following the occurrence of the Commercial Milestone Achievement (in either such case, other than as a result of any failure on the part of Ultimate Parent, Parent or Merger Sub to comply with or perform any of its covenants or obligations set forth in this Agreement or in any other agreement or instrument delivered to the Company in connection with the transactions contemplated by this Agreement);

(e) by the Company if the Merger Closing has not taken place on or before 5:00 p.m. (Eastern time) on the earlier of (i) September 1, 2015 and (ii) the date that is the first Business Day of the first month that is no less than thirty (30) days (or sixty (60) days, if any approval or waiting period is required under any applicable Antitrust Law prior to consummation of the Merger) following the occurrence of the Commercial Milestone Achievement (in either such case, other than as a result of any failure on the part of the Company to comply with or perform any covenant or obligation set forth in this Agreement or in any other agreement or instrument delivered to Parent in connection with the transactions contemplated by this Agreement);

(f) by either Parent or the Company if: (i) a court of competent jurisdiction or other Governmental Body shall have issued a final and nonappealable order, decree or ruling, or shall have taken any other action, having the effect of permanently restraining, enjoining or otherwise prohibiting the Merger; or (ii) there shall be any applicable Legal Requirement enacted, promulgated, issued or deemed applicable to the Merger by any Governmental Body that would make consummation of the Merger illegal;

(g) by Parent if: (i) the representations and warranties of the Company contained in this Agreement shall have become inaccurate as of a date subsequent to the date of this Agreement such that the condition set forth in Section 7.1 would not be satisfied; or (ii) the covenants of the Company contained in this Agreement shall have been breached such that the condition set forth in Section 7.2 would not be satisfied (in each such case, other than as a result of any failure on the part of Ultimate Parent, Parent or Merger Sub to comply with or perform any of its covenants or obligations set forth in this Agreement); *provided, however*, that if an inaccuracy in any of the representations and warranties of the Company as of a date subsequent to the date of this Agreement or a breach of a covenant by the Company is curable by the Company through the use of reasonable efforts within thirty (30) days after Parent notifies the Company in writing of the existence of such inaccuracy or breach (the “Company Cure Period”), then Parent may not terminate this Agreement under this Section 9.1(g) as a result of such inaccuracy or breach prior to the expiration of the Company Cure Period; provided the Company,

during the Company Cure Period, continues to exercise reasonable efforts to cure such inaccuracy or breach (it being understood that Parent may not terminate this Agreement pursuant to this Section 9.1(g) with respect to such inaccuracy or breach if such inaccuracy or breach is cured prior to the expiration of the Company Cure Period); or

(h) by the Company if: (i) the representations and warranties of Ultimate Parent, Parent or Merger Sub contained in this Agreement shall have become inaccurate as of a date subsequent to the date of this Agreement such that the condition set forth in Section 8.1 would not be satisfied; or (ii) the covenants of Ultimate Parent, Parent or Merger Sub contained in this Agreement shall have been breached such that the condition set forth in Section 8.2 would not be satisfied (in each such case, other than as a result of any failure on the part of the Company to comply with or perform any covenant or obligation set forth in this Agreement); *provided, however*, that if an inaccuracy in any of the representations and warranties of Ultimate Parent, Parent or Merger Sub as of a date subsequent to the date of this Agreement or a breach of a covenant by Ultimate Parent, Parent or Merger Sub is curable through the use of reasonable efforts within thirty (30) days after the Company notifies Parent in writing of the existence of such inaccuracy or breach (the “Parent Cure Period”), then the Company may not terminate this Agreement under this Section 9.1(h) as a result of such inaccuracy or breach prior to the expiration of the Parent Cure Period; provided Parent, during the Parent Cure Period, continues to exercise reasonable efforts to cure such inaccuracy or breach (it being understood that the Company may not terminate this Agreement pursuant to this Section 9.1(h) with respect to such inaccuracy or breach if such inaccuracy or breach is cured prior to the expiration of the Parent Cure Period).

9.2 Termination Procedures. If Parent wishes to terminate this Agreement pursuant to Section 9.1, Parent shall deliver to the Company a written notice stating that Parent is terminating this Agreement and setting forth a brief description of the basis on which Parent is terminating this Agreement. If the Company wishes to terminate this Agreement pursuant to Section 9.1, the Company shall deliver to Parent a written notice stating that the Company is terminating this Agreement and setting forth a brief description of the basis on which the Company is terminating this Agreement.

9.3 Effect of Termination. If this Agreement is terminated pursuant to Section 9.1, all further obligations of the parties under this Agreement shall terminate without liability of any party (or any stockholder, member, partner, director, manager, officer, employee, agent, consultant or representative of such party) to the other party to this Agreement, except that (a) the obligations in the Confidentiality Agreement, Section 6.7, this Section 9, Section 10 and Section 11 will survive such termination and (b) no party to this Agreement shall be relieved of any obligation or liability arising from any breach by such party of any representation or warranty or any breach by such party of any covenant or obligation set forth in this Agreement or fraud.

10. INDEMNIFICATION, ETC.

10.1 Survival of Representations, Etc.

(a) General Survival. Subject to Section 10.1(b) and Section 10.1(c), the representations and warranties made by the parties in this Agreement and the representations and warranties of the parties in the certificates delivered at the Merger Closing (and their respective rights to indemnification under Section 10.2(a)(i) and (ii) and Section 10.2(b)(i) and (ii) with respect thereto) shall survive the Effective Time and shall expire on the fifteen (15) month anniversary of the Merger Closing Date (the “Termination Date”); *provided, however*, that if, at any time prior to the Termination Date, any Indemnified Party delivers to an Indemnifying Party a written notice alleging the existence of an inaccuracy in or a breach of any of such representations and warranties and asserting a claim for recovery under Section 10.2 based on such alleged inaccuracy or breach, then the claim asserted in such notice shall survive the Termination Date until such time as such claim is resolved.

(b) Specified Representations. Notwithstanding anything to the contrary contained in Section 10.1(a), (i) the Specified Representations (and their respective rights to indemnification under Section 10.2(a)(i) and (ii) and Section 10.2(b)(i) and (ii) with respect thereto) shall survive the Effective Time until the expiration of the statute of limitations applicable thereto and (ii) the representations and warranties of the Company set forth in Section 3.9 (and Parent’s right to indemnification under Section 10.2(a)(i) and (ii) with respect to such representations and warranties) shall survive the Effective Time until the earliest of (A) the expiration of the statute of limitations applicable thereto, (B) the Earn-Out Outside Date and (C) the date of an Earn Out Trigger Event; *provided, however*, that if, at any time prior to such expiration date, any Indemnified Party delivers to the Indemnifying Party a written notice alleging the existence of an inaccuracy in or a breach of any of such Specified Representations or the representations and warranties of the Company in Section 3.9 and asserting a claim for recovery under Section 10.2 based on such alleged inaccuracy or breach, then the claim asserted in such notice shall survive until such time as such claim is resolved.

(c) Fraud. Notwithstanding anything to the contrary contained in Section 10.1(a) and 10.1(b), the limitations set forth in Section 10.1(a) and 10.1(b) shall not apply in the case of claims based upon fraud.

10.2 Indemnification.

(a) Securityholder Indemnification. From and after the Effective Time (but subject to Section 10.1), each Securityholder, severally (based on such Securityholder’s Fully Diluted Percentage) and not jointly, shall indemnify, defend and hold harmless each of the Ultimate Parent, Parent, Merger Sub and their respective Affiliates and Representatives (collectively, the “Parent Indemnified Parties”) from and against any Damages which are incurred by the Parent Indemnified Parties as a result of:

- (i) any inaccuracy in or breach of any representation or warranty made by the Company in this Agreement;
- (ii) any inaccuracy in or breach of any representation or warranty made by the Company in the Company Merger Closing Certificate; or

(iii) any breach of any covenant or obligation of the Company in this Agreement.

(b) Parent Indemnification. From and after the Effective Time (but subject to Section 10.1), Ultimate Parent, Parent and Merger Sub, jointly and severally, shall indemnify, defend and hold harmless each Securityholder and their respective Affiliates and Representatives from and against any Damages which are incurred by such Securityholder as a result of:

(i) any inaccuracy in or breach of any representation or warranty made by the Ultimate Parent, Parent or Merger Sub in this Agreement;

(ii) any inaccuracy in or breach of any representation or warranty made by Parent in the Parent Merger Closing Certificate; or

(iii) any breach of any covenant or obligation of the Ultimate Parent, Parent or Merger Sub in this Agreement.

10.3 Limitations.

(a) Baskets. Subject to Section 10.3(b), Parent shall not have any rights under Section 10.2(a)(i) or Section 10.2(a)(ii) for any inaccuracy in or breach of any representation or warranty in this Agreement resulting from any single claim or aggregated claims arising out of the same facts, events or circumstances that do not exceed \$60,000 ("De Minimis Losses"), and the De Minimis Losses will not be counted toward the Aggregate Basket unless all such De Minimis Losses exceed \$300,000 in the aggregate, in which case all such De Minimis Losses in excess of \$300,000 will be counted toward such Aggregate Basket. Subject to immediately preceding sentence, and Section 10.3(b), Parent shall not have any rights under Section 10.2(a)(i) or Section 10.2(a)(ii) for any inaccuracy in or breach of any representation or warranty in this Agreement or the Company Merger Closing Certificate except to the extent that the total amount of all recoverable Damages that has been incurred by Parent for inaccuracies in or breach of such representations or warranties of the Company exceeds \$600,000 in the aggregate (the "Aggregate Basket"); if the total amount of such Damages exceeds the Aggregate Basket, then Parent shall be entitled to be indemnified only for the portion of such Damages exceeding the Aggregate Basket.

(b) Applicability of Baskets. The limitations set forth in Section 10.3(a) shall not apply: (i) in the case of fraud; or (ii) to inaccuracies in or breaches of any of the Specified Representations.

(c) Recourse to Escrow. Subject to Section 10.3(d), recourse by Parent to the then remaining Escrow Amount in the Escrow Fund shall be Parent's sole and exclusive remedy for monetary Damages resulting from the matters referred to in Section 10.2(a) and in no event shall Parent have the right to collect any payment or other consideration from any Securityholder in respect of such Damages or otherwise exercise any other right or remedy against any Securityholder under this Agreement, any certificate or document executed and delivered pursuant to this Agreement, applicable law or otherwise in respect of such Damages.

(d) Applicability of Liability Cap. The limitations set forth in Section 10.3(c) shall not apply: (i) in the case of fraud; (ii) to inaccuracies in or breaches of any of the Specified Representations; (iii) to the matters referred to in Section 10.2(a)(iii); or (iv) to inaccuracies in or breaches of any of the representations and warranties set forth in Section 3.9; provided, however, that the aggregate amount of Damages that Parent can recover as a result of inaccuracies in or breaches of any of the representations and warranties set forth in Section 3.9 shall not exceed \$10,000,000 and any claim for indemnification by Parent as a result of inaccuracies in or breaches of any of the representations and warranties set forth in Section 3.9 shall be solely and exclusively satisfied with the then remaining Escrow Amount in the Escrow Fund and, only after there is no Escrow Amount remaining in the Escrow Fund, the reduction of the amounts, if any, payable by Parent under Section 2.5(d); in no event shall Parent have the right to collect any payment or other consideration from any Securityholder in respect of Damages as a result of inaccuracies in or breaches of any of the representations and warranties set forth in Section 3.9 or otherwise exercise any other right or remedy against any Securityholder under this Agreement, any certificate or document executed and delivered pursuant to this Agreement, applicable law or otherwise in respect of such Damages. With respect to Damages incurred by the Parent as a result of (A) fraud, (B) inaccuracies in or breaches of any of the Specified Representations or (C) the matters referred to in Section 10.2(a)(iii), the Parent shall seek to recover amounts in respect of any claim for such Damages from the Escrow Fund prior to seeking to recover amounts in respect of such claim for Damages directly from any Securityholder according to such Securityholder's Fully Diluted Percentage of such Damages up to the amount actually received by such Securityholder under Section 2.6 and/or Section 2.7. Notwithstanding any other provision set forth herein, the maximum aggregate amount that Parent may recover from any Securityholder shall be limited to that portion of the Aggregate Merger Consideration actually received by such Securityholder under Section 2.6 and/or Section 2.7.

(e) Calculation of Damages. The Damages suffered by any Indemnified Party shall be calculated after giving effect to any amounts recovered from third parties, including insurance proceeds (net of deductibles or other Damages incurred by such Indemnified Party as a result of such claim, all direct collection expenses and any increased premium costs), and taking into account any tax benefit actually realized or incurred by the Indemnified Party and its Affiliates that is associated with such Damages or the receipt of an indemnification payment in respect thereof (it being understood and agreed that the Indemnified Parties shall use their commercially reasonable efforts to seek insurance recoveries in respect of Damages to be indemnified hereunder). If any insurance proceeds or other recoveries from third parties are actually realized by an Indemnified Party subsequent to the receipt by such Indemnified Party of an indemnification payment hereunder in respect of the claims to which such insurance proceedings or third party recoveries relate, the Indemnified Party shall hold such amounts in trust, and appropriate refunds shall be made promptly to the Indemnifying Party regarding the amount of such indemnification payment. Any liability for

indemnification hereunder shall be determined without duplication of recovery by reason of the same set of facts giving rise to such liability constituting a breach of more than one representation, warranty, covenant or agreement. No liability or obligation shall constitute a breach of any representation, warranty, covenant or agreement of the Company or entitle Parent to indemnification hereunder to the extent that the liability or obligation is properly accrued for or reflected on the final Closing Payment Adjustment Statement. The Indemnified Parties shall use their respective commercially reasonable efforts to mitigate any Damages to the extent required by any Legal Requirement.

(f) No Consequential Damages. THE PARTIES HERETO ON BEHALF OF THEMSELVES AND EACH OF THEIR RESPECTIVE INDEMNIFIED PARTIES WAIVE ANY RIGHT TO RECOVER INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING LOST REVENUES OR PROFITS UNLESS SUCH INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL OR OTHER KIND OF SPECIAL DAMAGES ARE AWARDED TO A THIRD PARTY IN AN INDEMNIFIABLE THIRD PARTY CLAIM.

(g) Materiality Qualifiers. For the sole purpose of determining the amount of Damages (and not for determining whether or not any breaches of representations or warranties have occurred), each representation or warranty that is qualified as to materiality or Material Adverse Effect will be deemed made without any qualification as to materiality or Material Adverse Effect.

10.4 Procedures for Indemnified Claims.

(a) The party seeking indemnification under Section 10.2 (the “Indemnified Party”) agrees to give prompt notice in writing to the party against whom indemnity is to be sought (or the Stockholders’ Agent (with a copy to the Escrow Agent) in the case of an indemnification claim pursuant to Section 10.2(a) against the Securityholders) (the “Indemnifying Party”) of the assertion of any claim or the commencement of any Legal Proceeding by any third party (a “Third Party Claim”) in respect of which indemnity may be sought under such Section. Such notice shall set forth in reasonable detail such Third Party Claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have actually prejudiced the Indemnifying Party.

(b) The Indemnifying Party shall be entitled to participate in the defense of any Third Party Claim and shall be entitled to control and appoint lead counsel for such defense. The Indemnified Party shall obtain the prior written consent of the Indemnifying Party (which shall not be unreasonably withheld, delayed or conditioned) before entering into any settlement of a Third Party Claim.

(c) If the Indemnifying Party assumes the control of the defense of any Third Party Claim in accordance with the provisions of this Section 10.4, the Indemnifying Party shall obtain the prior written consent of the Indemnified Party (which shall not be unreasonably withheld, delayed or conditioned) before entering into any settlement of

such Third Party Claim if the settlement does not release the Indemnified Party from all liabilities with respect to such Third Party Claim or the settlement imposes injunctive or other equitable relief against the Indemnified Party.

(d) If the Indemnifying Party has elected to control the defense of a Third Party Claim, the Indemnified Party shall be entitled to participate in the defense of any Third Party Claim and to employ separate counsel of its choice for such purpose, in which case the fees and expenses of such separate counsel shall be borne by the Indemnified Party.

(e) Each party hereto shall cooperate, and cause their respective Affiliates to cooperate, in the defense or prosecution of any Third Party Claim and shall furnish or cause to be furnished such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith.

(f) In the event an Indemnified Party has a claim for indemnity under Section 10.2 against an Indemnifying Party that does not involve a Third Party Claim, the Indemnified Party agrees to give prompt notice in writing of such claim to the Indemnifying Party. Such notice shall set forth in reasonable detail such claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have actually prejudiced the Indemnifying Party. If the Indemnifying Party disputes its indemnity obligation for any Damages with respect to such claim, the parties shall proceed in good faith to negotiate a resolution of such dispute and, if not resolved through negotiations, such dispute shall be resolved by litigation in an appropriate court of jurisdiction determined pursuant to Section 11.8.

10.5 Treatment of Indemnification Payments. The parties agree that any indemnity payments made pursuant to this Section 10 shall be deemed to be an adjustment to the Grossed Up Closing Payment for Tax purposes to the extent permitted by applicable Legal Requirements.

10.6 Exclusive Remedy. From and after the Effective Time, subject to Section 11.10 and except in the case of fraud, this Section 10 shall constitute the sole and exclusive remedy of the parties hereto in connection with any breach or failure to be true and complete, or alleged breach or failure to be true and complete, of any representation or warranty or breach of any covenant or obligation or otherwise arising under or based upon this Agreement, the Merger and the other transactions contemplated hereby (whether based on contract, tort, strict liability, other Legal Requirements or otherwise). Notwithstanding the foregoing, this Section 10.6 does not limit any party's rights with respect to any of the Related Documents.

11. MISCELLANEOUS PROVISIONS

11.1 Stockholders' Agent.

(a) Appointment. By virtue of the adoption of this Agreement, the Securityholders irrevocably nominate, constitute and appoint Citron Capital Limited as

the agent and true and lawful attorney in fact of the Securityholders (the “Stockholders’ Agent”), with full power of substitution, to act in the name, place and stead of the Securityholders for purposes of executing any documents and taking any actions that the Stockholders’ Agent may, in its sole discretion, determine to be necessary, desirable or appropriate in connection with the activities, rights and obligations of the Securityholders including: (i) taking such actions and executing and delivering such amendments, modifications, waivers and consents in connection with this Agreement as the Stockholders’ Agent, in its reasonable discretion, may deem necessary, desirable or appropriate; (ii) resolving and/or settling all claims questions, disputes, conflicts and controversies under this Agreement or otherwise arising out of, or related to, this Agreement (including the determination of any amount payable under this Agreement or any claim for indemnification under Section 10 or the Escrow Agreement) as the Stockholders’ Agent, in its reasonable discretion, may deem necessary, desirable or appropriate; and (iii) providing any release or discharge on behalf of the Securityholders as the Stockholders’ Agent, in its reasonable discretion, may deem necessary, desirable or appropriate; *provided, however*, that such authority shall extend solely to the resolution of claims for monetary damages to be funded solely and exclusively from the Escrow Fund or Parent’s right of reduction expressly set forth in Section 10.3(d) (it being understood and hereby agreed that the Stockholders’ Agent shall not have any authority to bind any Securityholders to any agreement, commitment, settlement or otherwise in any manner whatsoever other than the release of funds from the Escrow Fund or Parent’s right of reduction expressly set forth in Section 10.3(d). Citron Capital Limited hereby accepts its appointment as Stockholders’ Agent.

(b) Authority. The Securityholders grant to the Stockholders’ Agent full authority to execute, deliver, acknowledge, certify and file on behalf of such Securityholders (in the name of any or all of the Securityholders or otherwise) any and all documents that the Stockholders’ Agent may, in its sole discretion, determine to be necessary, desirable or appropriate, in such forms and containing such provisions as the Stockholders’ Agent may, in its sole discretion, determine to be appropriate, in performing its duties as contemplated by Section 11.1(a). Notwithstanding anything to the contrary contained in this Agreement or in any other agreement executed in connection with the transactions contemplated hereby: (i) Parent shall be entitled to deal exclusively with the Stockholders’ Agent on all matters relating to any claim for indemnification under Section 10 or under the Escrow Agreement within the scope of the Securityholders’ Agent’s authority under Section 11.1(a); and (ii) Parent shall be entitled to rely conclusively (without further evidence of any kind whatsoever) on any document executed or purported to be executed on behalf of any Securityholder by the Stockholders’ Agent within the scope of the Securityholders’ Agent’s authority under Section 11.1(a), and on any other action taken or purported to be taken on behalf of any Securityholder by the Stockholders’ Agent within the scope of the Securityholders’ Agent’s authority under Section 11.1(a), as fully binding upon such Securityholder.

(c) Power of Attorney. The Securityholders recognize and intend that the power of attorney granted in Section 11.1(a): (i) is coupled with an interest and is irrevocable; (ii) may be delegated by the Stockholders’ Agent; and (iii) shall survive the death or incapacity of each of the Securityholders.

(d) **Replacement.** If the Stockholders' Agent shall die, resign, become disabled or otherwise be unable to fulfill its responsibilities hereunder, the Securityholders shall (by consent of those Persons entitled to at least a majority of the Merger Consideration), within 10 days after such death, disability or inability, appoint a successor to the Stockholders' Agent and immediately thereafter notify Parent of the identity of such successor. Any such successor shall succeed the Stockholders' Agent as Stockholders' Agent hereunder. If for any reason there is no Stockholders' Agent at any time, all references herein to the Stockholders' Agent shall be deemed to refer to the Securityholders.

(e) **Expenses.** Expenses (including attorneys' fees and court costs) incurred by the Stockholders' Agent in defending any claim, demand, suit, action or cause of action or otherwise performing its obligations under this Agreement or the Escrow Agreement will be paid, at the election of the Stockholders' Agent, at any time (i) from the Stockholder Expense Fund; or (ii) otherwise by the Securityholders in accordance with their respective Fully Diluted Percentages.

(f) **Indemnification.** The Securityholders shall indemnify the Stockholders' Agent and its successors and assigns from and against any and all claims, demands, suits, actions, causes of action, losses, damages, obligations, liabilities, costs and expenses (including attorneys' fees and court costs) arising as a result of or incurred in connection with any actions taken or omitted to be taken by the Stockholders' Agent pursuant to the terms of this Agreement, except to the extent the Stockholders' Agent was grossly negligent or engaged in willful misconduct. If not paid directly to the Stockholders' Agent by the Securityholders, any such losses, liabilities or expenses may be recovered by the Stockholders' Agent from the funds in the Escrow Fund otherwise distributable to the Securityholders pursuant to the terms hereof and the Escrow Agreement at the time of distribution. Notwithstanding anything to the contrary set forth herein, the Ultimate Parent and Parent will not be liable for any action or inaction of the Stockholders' Agent, including for any payments made to or by the Stockholders' Agent at its direction.

11.2 Further Assurances. Each party hereto shall execute and cause to be delivered to each other party hereto such instruments and other documents, and shall take such other actions, as such other party may reasonably request (prior to, at or after the Merger Closing) for the purpose of carrying out or evidencing any of the transactions contemplated by this Agreement.

11.3 Fees and Expenses. Except as otherwise expressly set forth in this Agreement and the Escrow Agreement, each party to this Agreement shall bear and pay all fees, costs and expenses that have been incurred or that are incurred in the future by such party in connection with the transactions contemplated by this Agreement, including all fees, costs and expenses incurred by such party in connection with or by virtue of: (a) the negotiation, preparation and review of this Agreement (including the Disclosure Schedule) and all agreements, certificates and other instruments and documents delivered or to be delivered in connection with the transactions contemplated by this Agreement; (b) the preparation and submission of any filing or notice required to be made or given in connection with any of the transactions contemplated by this Agreement and the obtaining of any Consent required to be obtained in connection with any of such transactions; and (c) the consummation of the Merger.

11.4 Attorneys' Fees. If any Legal Proceeding relating to the enforcement of any provision of this Agreement is brought against any party hereto, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements (in addition to any other relief to which the prevailing party may be entitled).

11.5 Notices. Any notice or other communication required or permitted to be delivered to any party under this Agreement shall be in writing and shall be deemed properly delivered, given and received: (a) if delivered by hand, when delivered; (b) if sent via facsimile with confirmation of receipt, when transmitted and receipt is confirmed; (c) if sent by electronic mail or other electronic transmission, upon delivery; (d) if sent by registered, certified or first class mail, the third Business Day after being sent; and (e) if sent by overnight delivery via a national courier service, one Business Day after being sent, in each case to the address or facsimile telephone number set forth beneath the name of such party below (or to such other address or facsimile telephone number as such party shall have specified in a written notice given to the other parties hereto in accordance with this Section):

If to Ultimate Parent, Parent or Merger Sub:

Research and Diagnostic Systems, Inc.
614 McKinley Place NE
Minneapolis, MN 55413
Attention: Chief Executive Officer
Facsimile: (612) 656-4514

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

Fredrikson & Byron, P.A. 200 South Sixth Street, Suite 4000
Minneapolis, MN 55402
Attention: Melodie Rose, Esq.; Alex Rosenstein, Esq.
Facsimile: (612) 492-7077
Email: mrose@fredlaw.com; arosenstein@fredlaw.com

If to the Company:

CyVek, Inc.
2 Barnes Industrial Road South
Wallingford, CT 06492-2432
Attention: Per Hellsund, Chief Executive Officer
Facsimile: (203) 679-0452
Email: phellsund@cyvek.com

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

Shipman & Goodwin LLP One Constitution Plaza
Hartford, CT 06103-1919
Attention: J. Dormer Stephen, Esq.
Facsimile: (860) 251-5311
Email: dstephen@goodwin.com

If to the Stockholders' Agent:

Citron Capital Limited
Omar Hodge Building, 2nd Floor
Wickham's Cay
Road Town
Tortola, BVI
Attention: Enrique Posner
Email: e@eposner.com

11.6 Headings. The article and section headings contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

11.7 Counterparts. This Agreement may be executed in several counterparts (including those delivered by facsimile or other electronic means), each of which shall constitute an original and all of which, when taken together, shall constitute one and the same agreement.

11.8 Governing Law; Dispute Resolution.

(a) Governing Law. This Agreement shall be construed in accordance with, and governed in all respects by, the internal laws of the State of Delaware without giving effect to principles of conflicts of laws.

(b) Venue. Except as otherwise provided in the Escrow Agreement, any Legal Proceeding relating to this Agreement or the enforcement of any provision of this Agreement (including a Legal Proceeding based upon fraud) shall be brought or otherwise commenced exclusively in any state or federal court located in the State of Delaware. Each party to this Agreement: (i) expressly and irrevocably consents and submits to the exclusive jurisdiction of each state and federal court located in the State of Delaware (and each appellate court located in the State of Delaware) in connection with any such Legal Proceeding; (ii) agrees that each state and federal court located in the State of Delaware shall be deemed to be a convenient forum; and (iii) agrees not to assert (by way of motion, as a defense or otherwise), in any such Legal Proceeding commenced in any state or federal court located in the State of Delaware, any claim that such party is not subject personally to the jurisdiction of such court, that such Legal Proceeding has been brought in an inconvenient forum, that the venue of such proceeding is improper or that this Agreement or the subject matter of this Agreement may not be enforced in or by

such court. Any party to this Agreement may make service on any another party by sending or delivering a copy of the process to the party to be served at the address and in the manner provided for the giving of notices in Section 11.5. Nothing in this Section 11.8, however, shall affect the right of any party to this Agreement to serve legal process in any other manner permitted by law.

11.9 Successors and Assigns. This Agreement shall be binding upon: (a) the Company and its successors and permitted assigns; and (b) Ultimate Parent, Parent and Merger Sub and their respective successors and assigns. This Agreement shall inure to the benefit of the Company, the Ultimate Parent, Parent and Merger Sub and the respective successors and permitted assigns of the foregoing. No party to this Agreement may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written consent of the other parties hereto; provided, that (i) each of Ultimate Parent (after the Merger Closing) and Parent (prior to or after the Merger Closing) may assign this Agreement or any of its rights, interests or obligations hereunder to any direct or indirect parent or Subsidiary of such party without the consent of any other party hereto; provided, that Ultimate Parent and Parent (as applicable) will remain primarily liable for its obligations hereunder; and (ii) each of Ultimate Parent and Parent and their respective Affiliates may collaterally assign their rights under this Agreement to their lenders, in each case without the consent of any other party hereto.

11.10 Remedies Cumulative; Specific Performance. The rights and remedies of the parties hereto shall be cumulative (and not alternative). The parties to this Agreement agree that, in the event of any breach or threatened breach by any party to this Agreement of any covenant, obligation or other provision set forth in this Agreement, for the benefit of any other party to this Agreement: (a) such other party shall be entitled (in addition to any other remedy at law or in equity that may be available to it) to: (i) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision; and (ii) an injunction restraining such breach or threatened breach; and (b) such other party shall not be required to provide any bond or other security in connection with any such decree, order or injunction or in connection with any related action or Legal Proceeding.

11.11 Waiver. No failure on the part of any Person to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Person in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy. No Person shall be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of such Person; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given.

11.12 Waiver of Jury Trial. Each of the parties hereto hereby irrevocably waives any and all right to trial by jury in any Legal Proceeding arising out of or related to this Agreement or the transactions contemplated hereby.

11.13 Amendments. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered: (a) prior to the Merger Closing Date, on behalf of all parties hereto; and (b) after the Merger Closing Date, on behalf of Parent and the Stockholders' Agent (acting exclusively for and on behalf of all of the Securityholders).

11.14 Severability. In the event that any provision of this Agreement, or the application of any such provision to any Person or set of circumstances, shall be determined to be invalid, unlawful, void or unenforceable to any extent, the remainder of this Agreement, and the application of such provision to Persons or circumstances other than those as to which it is determined to be invalid, unlawful, void or unenforceable, shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

11.15 Parties in Interest. Except for the provisions of Section 10, none of the provisions of this Agreement is intended to provide any rights or remedies to any Person other than the parties hereto and their respective successors and permitted assigns (if any).

11.16 Waiver of Conflicts. Recognizing that Shipman & Goodwin LLP and Fish & Richardson P.C. (collectively "Seller Counsel") have acted as legal counsel to the Company and that Seller Counsel may act as legal counsel to the Stockholders' Agent or certain of the direct and indirect holders of shares of Company Capital Stock and their respective Affiliates (which will no longer include the Company after the Merger Closing), each of Ultimate Parent, Parent, Merger Sub and Company hereby waives, on its own behalf and agrees to cause its Affiliates, the Surviving Corporation and its Subsidiaries to waive, any conflicts that may arise in connection with Seller Counsel representing the Stockholders' Agent or any direct or indirect holders of the shares of Company Capital Stock or their Affiliates after the Merger Closing as such representation may relate to Ultimate Parent, Parent, Merger Sub, the Company, the Surviving Corporation and their Subsidiaries or the transactions contemplated by this Agreement. In addition, all communications involving attorney-client confidences between direct and indirect holders of shares of Company Capital Stock, the Company and their respective Affiliates, on the one hand, and Seller Counsel, on the other hand, relating to the negotiation, documentation and consummation of the transactions contemplated by this Agreement shall be deemed to be attorney-client confidences that belong solely to the direct and indirect holders of shares of Company Capital Stock and their respective Affiliates (and not the Company or the Surviving Corporation) from and after the Effective Time. Accordingly, the Surviving Corporation shall not have access to any such communications or to the files of Seller Counsel relating to such engagement from and after the Effective Time. Without limiting the generality of the foregoing, from and after the Effective Time, (a) the direct and indirect holders of shares of Company Capital Stock and their respective Affiliates (and not the Surviving Corporation) shall be the sole holders of the attorney-client privilege with respect to such engagement, and the Surviving Corporation shall not be a holder thereof, (b) to the extent that files of Seller Counsel in respect of such engagement constitute property of the client, only the direct and indirect holders of shares of Company Capital Stock and their respective Affiliates (and not the Surviving Corporation) shall hold such property rights and (c) Seller Counsel shall have no duty whatsoever to reveal or disclose any such attorney-client communications or files to the Surviving Corporation by reason of any attorney-client relationship between Seller Counsel and the Company or otherwise. The Surviving Corporation is not waiving any attorney-client privilege (including relating to the negotiation, documentation and consummation of the transactions contemplated by this Agreement) in connection with any Third Party Claim.

11.17 Ultimate Parent Guarantee. Ultimate Parent hereby absolutely, irrevocably and unconditionally guarantees to the Securityholders, as primary obligor and not merely as a surety, (a) the due and punctual payment of all amounts owing by Parent under this Agreement now existing or hereafter arising and including obligations arising or accruing after the commencement of any bankruptcy, insolvency, reorganization, or similar proceeding with respect to Parent and (b) the due and punctual performance of all covenants, agreements, obligations and liabilities of Parent under or pursuant to this Agreement now existing or hereafter arising and including obligations arising or accruing after the commencement of any bankruptcy, insolvency, reorganization, or similar proceeding with respect to Parent (all of the obligations described in the preceding clauses (a) and (b) being referred to herein collectively as the “Parent Obligations”). The Ultimate Parent waives presentment to, demand of payment from and protest to, Parent of any of the Parent Obligations and also waives notice of acceptance of the Parent Obligations and notice of protest for nonpayment. The obligations of the Ultimate Parent hereunder shall not be discharged or impaired or otherwise diminished by any failure, default, omission, or delay, willful or otherwise, by Parent which may or might in any manner or to any extent vary the risk of the Ultimate Parent or would otherwise operate as a discharge of the Ultimate Parent as a matter of law or equity under the provisions of this Agreement or otherwise unless provided for in this Section 11.17. This is a present and continuing guarantee of payment and performance and not of collection, and the liability of the Ultimate Parent under this Section 11.17 shall be absolute and unconditional, in accordance with its terms, and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever including, without limitation: (i) any lack of validity or enforceability of this Agreement or any other agreement or instrument relating thereto against Parent; (ii) any change in the time, place or manner of payment of, or in any other term of, all or any of the Parent Obligations, or any other amendment or waiver of or any consent to any departure from this Agreement; (iii) any change, restructuring or termination of the structure or existence of Parent, the Company or their Affiliates; (iv) any bankruptcy, receivership, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceedings with respect to Parent, the Company or their Affiliates or the properties or creditors of Parent, the Company or their Affiliates; (v) the occurrence of any default by Parent under, or any invalidity or any unenforceability of, or any misrepresentation, irregularity or other defect on the part of Parent in, this Agreement; (vi) any default, failure or delay, willful or otherwise, on the part of Parent to perform or comply with, or the impossibility or illegality of performance by Parent of, any term of this Agreement; (vii) any suit or other action brought by, or any judgment in favor of, any beneficiaries or creditors of, Parent, the Company or their Affiliates for any reason whatsoever including, without limitation, any suit or action in any way attacking or involving any issue, matter or thing in respect of this Agreement; or (viii) any other circumstance which might otherwise constitute a defense available to, or a discharge of, Parent, the Company or their Affiliates unless otherwise provided for in this Section 11.17. Notwithstanding anything to the contrary provided for in this Section 11.17, Ultimate Parent’s obligations under this Section 11.17 will be reduced by the amount of any successful indemnification claim by the Parent Indemnified Parties or the exercise of any permitted setoff rights by the Parent Indemnified Parties under Section 10.3(d). The Ultimate Parent hereby agrees upon demand to pay all

reasonable costs and expenses of the Stockholders' Agent or the Securityholders in connection with the enforcement of the Ultimate Parent's obligations under this Section 11.17 following any breach by the Ultimate Parent of its obligations under this Section 11.17 (including the reasonable fees and disbursements of one counsel employed by the Stockholders' Agent and/or any Securityholder).

11.18 Entire Agreement. This Agreement and the other agreements referred to herein set forth the entire understanding of the parties hereto relating to the subject matter hereof and thereof and supersede all prior agreements and understandings among or between any of the parties relating to the subject matter hereof and thereof; *provided, however*, that the Confidentiality Agreement shall not be superseded by this Agreement and shall remain in effect in accordance with its terms until the earlier of: (a) the Effective Time; or (b) the date on which such Confidentiality Agreement is terminated in accordance with its terms.

11.19 Time is of the Essence. Time is of the essence with respect to the performance of this Agreement. Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified. Whenever any action must be taken hereunder on or by a day that is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day.

11.20 Construction.

(a) Gender; Etc. For purposes of this Agreement, whenever the context requires: the singular number shall include the plural, and vice versa; the masculine gender shall include the feminine and neuter genders; the feminine gender shall include the masculine and neuter genders; and the neuter gender shall include the masculine and feminine genders.

(b) Ambiguities. The parties hereto agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in the construction or interpretation of this Agreement.

(c) Including. As used in this Agreement, the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation."

(d) References. Except as otherwise indicated, all references in this Agreement to "Sections," "Schedules" and "Exhibits" are intended to refer to Sections of this Agreement and Schedules and Exhibits to this Agreement.

[Remainder of page intentionally left blank]

The parties hereto have caused this Agreement to be executed and delivered as of the date first written above.

TECHNE CORPORATION,
a Minnesota corporation

By: /s/ Charles R. Kummeth
Name: Charles R. Kummeth
Title: Chief Executive Officer

RESEARCH AND DIAGNOSTIC SYSTEMS, INC.,
a Minnesota corporation

By: /s/ Charles R. Kummeth
Name: Charles R. Kummeth
Title: Chief Executive Officer

CAYENNE MERGER SUB, INC.,
a Delaware corporation

By: /s/ Charles R. Kummeth
Name: Charles R. Kummeth
Title: Chief Executive Officer

CYVEK, INC.,
a Delaware corporation

By: /s/ Per Hellsund
Name: /s/ Per Hellsund
Title: Chief Executive Officer, President,
Secretary and Treasurer

STOCKHOLDERS' AGENT:

CITRON CAPITAL LIMITED

By: Daniel E. Levy
Name: Daniel E. Levy
Title: Director

[SIGNATURE PAGE TO AGREEMENT OF INVESTMENT AND MERGER]

EXHIBIT A
CERTAIN DEFINITIONS

For purposes of this Agreement (including this Exhibit A):

“Acquisition Proposal” means any inquiry, proposal or offer from any Person (other than Ultimate Parent or Parent or any of their Affiliates) concerning (i) a merger, consolidation, liquidation, share exchange or other business combination transaction involving the Company; or (ii) the issuance or acquisition of shares of capital stock or other equity securities of the Company that would result in the holders of the outstanding capital stock of the Company immediately before such transaction not beneficially owning, immediately after such transaction or any other related transaction, stock or other equity interests representing at least a majority of the voting power of the Company on a fully diluted basis; or (iii) the sale, lease, exchange or other disposition of all or substantially all of the Company’s properties and assets.

“Affiliate” shall mean when used with respect to a specified Person, another Person that either directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, the specified Person.

“Agreement” shall mean the Agreement of Investment and Merger to which this Exhibit A is attached (including the Disclosure Schedule), as it may be amended from time to time.

“Antitrust Law” shall mean the HSR Act and any other federal, state or foreign Legal Requirement designed to prohibit, restrict or regulate actions for the purpose or effect of monopolization or restraint of trade.

“Business Day” shall mean any day which is not a Saturday, Sunday or a day on which banks in New York, New York are authorized by applicable Legal Requirements or executive orders to be closed.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Company Capital Stock” shall mean the shares of Company Common Stock and Company Preferred Stock.

“Company Common Stock” shall mean the shares of Common Stock of the Company, par value \$0.0001 per share.

“Company Employee” shall mean any current or former employee of the Company.

“Company Employee Plan” shall mean any material “employee pension benefit plan” (as defined in Section 3(2) of ERISA), any “employee welfare benefit plan” (as defined in Section 3(1) of ERISA), and any other plan, program, policy, practice or other arrangement providing for compensation, severance, termination pay, deferred compensation, performance awards, stock or stock-related awards, fringe benefits or other employee benefits or remuneration of any kind, whether written, unwritten or otherwise, funded or unfunded, that is maintained, contributed to, or required to be contributed to, by the Company for the benefit of any Company Employee, or with respect to which the Company has or may have any liability or obligation.

“Company IP” means all Intellectual Property Rights owned by, purported to be owned by, or exclusively licensed to, the Company.

“Company Option” shall mean each option to purchase shares of Company Capital Stock (or exercisable for cash) outstanding under the Option Plan or otherwise.

“Company Preferred Stock” shall mean the shares of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock.

“Company Warrant” shall mean each warrant to purchase shares of Company Capital Stock (or exercisable for cash).

“Confidentiality Agreement” shall mean that certain Confidential Disclosure Agreement dated September 5, 2013 by and between Parent and the Company, as amended.

“Consent” shall mean any approval, clearance, consent, ratification, permission, waiver or authorization (including any Governmental Authorization).

“Contaminant” shall mean any material, substance, chemical, gas, liquid, waste, effluent, pollutant or contaminant which, whether on its own or admixed with another, is identified or defined in or regulated by or pursuant to any applicable Environmental Laws or which upon release into the environment presents a danger to the environment or to the health or safety or welfare of any Person including petroleum or petroleum products, natural gas, synthetic gas, radon, methylene chloride and asbestos.

“Contract” shall mean any written or oral agreement, contract, lease, understanding, arrangement, instrument or legally binding commitment or undertaking of any nature.

“Damages” shall mean all actual losses, damages, settlements, judgments, awards, fines, penalties, fees (including reasonable attorneys’ fees), charges, costs (including costs of investigation) and expenses of any nature.

“Disclosure Schedule” shall mean the schedule (dated as of the date of this Agreement) delivered to Parent on behalf of the Company.

“Encumbrance” shall mean any lien, pledge, hypothecation, charge, mortgage, security interest or encumbrance; provided that “Encumbrance” shall not include any actual or alleged infringement or misappropriation.

“Entity” shall mean any corporation, general partnership, limited partnership, limited liability partnership, trust, company (including any limited liability company or joint stock company) or other enterprise, association, organization or entity.

“Environmental Laws” shall mean all Legal Requirements relating to the protection of the environment or of human health or safety or welfare or to the manufacture, formulation, processing, treatment, storage, containment, labeling, handling, transportation, distribution, recycling, reuse, release, disposal, removal, remediation, abatement or clean-up of any Contaminant.

“Environmental Licenses” shall mean any Consent or Governmental Authorization required by or pursuant to any applicable Environmental Laws.

“Environmental Release” shall mean the spilling, leaking, pumping, pouring, emitting, releasing, emptying, discharging, injecting, escaping, leaching, dumping, leaving, discarding or disposing of any Contaminant into or upon the environment.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

“Escrow Agent” shall mean U.S. Bank, N.A.

“Escrow Agreement” shall mean the escrow agreement to be entered into among Parent, the Stockholders’ Agent and the Escrow Agent on the Merger Closing Date, substantially in the form attached hereto as Exhibit B.

“Escrow Fund” shall mean the escrow fund established pursuant to the Escrow Agreement.

“Fully Diluted Percentage” shall mean, with respect to each Securityholder, the quotient of (a) the sum of, without duplication: (i) the aggregate number of shares of Outstanding Common Stock held by such Securityholder immediately prior to the Effective Time; plus (ii) the aggregate number of shares of Company Common Stock that are issuable upon the conversion of the shares of Outstanding Preferred Stock held by such Securityholder immediately prior to the Effective Time; plus (iii) the aggregate number of shares of Company Common Stock purchasable under or otherwise subject to Outstanding Options and Outstanding Warrants held by such Securityholder immediately prior to the Effective Time; plus (iv) the aggregate number of shares of Company Common Stock issuable upon conversion of the shares of Company Preferred Stock that are purchasable under or otherwise subject to Outstanding Warrants held by such Securityholder immediately prior to the Effective Time; and (b) the Fully Diluted Company Share Number.

“GAAP” shall mean 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, that are applicable to the circumstances of the date of determination, consistently applied.

“Governmental Authorization” shall mean any: (a) permit, license, certificate, franchise, permission, clearance, registration, qualification or authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement; or (b) right under any Contract with any Governmental Body.

“Governmental Body” shall mean any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; or (c) governmental or quasi-governmental authority of any nature (including any governmental division, department, agency, commission, instrumentality or official and any court or other tribunal).

“HSR Act” shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, any successor statute thereto, and the rules and regulations promulgated thereunder.

“Indebtedness” shall mean, with respect to any Person, (a) all obligations of such Person for borrowed money (including, without limitation, all obligations pursuant to any sale or financing of such Person’s receivables), (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person (even when the rights and remedies of such Person or lender under such agreement in the event of default are limited to repossession or sale of such property), (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Encumbrance on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (f) any guarantee by such Person of Indebtedness of others, (g) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (h) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances, and (i) all obligations in respect of any swap, forward, cap, future, or derivative transaction; provided, however, that Indebtedness shall exclude all accounts payable and accrued expenses of such Person to the extent not otherwise covered in (a) through (i) above.

“Insider” means (a) any officer, director or stockholder of the Company; (b) any individual related by blood, marriage or adoption to any individual listed in clause (a) hereof; or (c) any Affiliate of such Person listed in clauses (a) or (b) hereof.

“Intellectual Property” means and includes all algorithms, apparatus, assay components, biological materials, databases and data collections, diagrams, formulae, inventions (whether or not patentable), know-how, logos, marks (including brand names, product names, logos, and slogans), methods, processes, proprietary information, protocols, schematics, specifications, software code (in any form including source code and executable or object code), subroutines, user interfaces, techniques, URLs, web sites and works of authorship.

“Intellectual Property Rights” means all rights of the following types, which may exist or be created under the laws of any jurisdiction in the world: (a) rights associated with works of authorship, including exclusive exploitation rights, copyrights, moral rights, mask works and design registrations; (b) trademark, service mark, trade dress, trade name rights, design rights, designation of origin, source, sponsorship or association, and similar rights, including goodwill

connected therewith; (c) trade secret rights; (d) patent rights and utility model rights; (e) domain name rights; (f) publicity and privacy rights; and (g) all registrations, renewals, extensions, continuations, continuations-in-part, divisions, provisionals, re-examinations, inter partes reviews, post grant reviews, substitutions, foreign counterparts, or reissues of, and applications for, any of the rights referred to in clauses (a) through (f) above.

“Investor Documents” means the ROFR Agreement, the Investors’ Rights Agreement, the Voting Agreement, Put Agreement by and between the Company and Connecticut Innovations, Inc., dated May 14, 2010, Side Agreement to Note and Warrant Purchase Agreement by and between the Company and Connecticut Innovations, Inc., dated December 30, 2013, Side Agreement to Purchase Agreement by and between the Company and Connecticut Innovations, Inc., dated January 30, 2013, all securities purchase agreements with the Securityholders, all option agreements with the Securityholders, all employment offer letter agreements with the Company Employees, all Employee Confidentiality, Non-Solicitation and Non-Competition Agreements with Company Employees and all indemnification agreements with the directors of the Company.

“Knowledge.” An individual shall be deemed to have “Knowledge” of a particular fact or other matter if such individual is actually aware of such fact or other matter or if such individual would be expected to be aware of such fact or other matter following reasonable inquiry. The Company shall be deemed to have “Knowledge” of a particular fact or other matter if Per Hellsund, Marty Putnam or John Leamon has Knowledge of such fact or other matter.

“Legal Proceeding” shall mean any action, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative or appellate proceeding), hearing, inquiry, audit or examination commenced, brought, conducted or heard by or before, or otherwise involving, any court or other Governmental Body or any arbitrator or arbitration panel.

“Legal Requirement” shall mean any federal, state, local, municipal, foreign or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body.

“Material Adverse Effect” shall mean any change, event or effect that has or would reasonably be expected to have a materially adverse effect on (i) the business, assets, liabilities, condition (financial or otherwise) or results of operations of the Company or (ii) the ability of the Company to consummate the transactions contemplated hereby, except to the extent resulting from (a) changes in general local, domestic, foreign, or international economic conditions, (b) changes affecting generally the industries or markets in which the Company operates, (c) acts of war, sabotage or terrorism, military actions or the escalation thereof, (d) any changes in applicable laws or accounting rules or principles, including changes in GAAP, (e) any other action required by this Agreement or (f) the announcement of any of the transactions contemplated by this Agreement; provided, that any event, occurrence, fact, condition, or change referred to in clauses (a), (b), (c) or (d) will be taken into account in determining whether a Material Adverse Effect has occurred (or reasonably would be expected to occur) only to the extent that such event, occurrence, fact, condition or change has a disproportionate effect on the Company compared to other participants in the industry in which it conducts its business.

“Merger Consideration” shall mean the cash consideration that a holder of shares of Outstanding Capital Stock who does not perfect his, her or its appraisal rights under the DGCL is entitled to receive in exchange for such shares of Outstanding Capital Stock pursuant to Section 2.6.

“Non-Dissenting Stockholder” shall mean each stockholder of the Company immediately prior to the Effective Time that does not perfect such stockholder’s appraisal rights under the DGCL and is otherwise entitled to receive Merger Consideration pursuant to Section 2.6.

“Parent Material Adverse Effect” shall mean any change, event or effect that has or would reasonably be expected to have a materially adverse effect on (i) the business, assets, liabilities, condition (financial or otherwise) or results of operations of the Ultimate Parent or Parent or (ii) the ability of the Ultimate Parent, Parent or Merger Sub to consummate the transactions contemplated hereby, except to the extent resulting from (a) changes in general local, domestic, foreign, or international economic conditions, (b) changes affecting generally the industries or markets in which the Ultimate Parent or Parent operates, (c) acts of war, sabotage or terrorism, military actions or the escalation thereof, (d) any changes in applicable laws or accounting rules or principles, including changes in GAAP, (e) any other action required by this Agreement or (f) the announcement of any of the transactions contemplated by this Agreement; provided, that any event, occurrence, fact, condition, or change referred to in clauses (a), (b), (c) or (d) will be taken into account in determining whether a Parent Material Adverse Effect has occurred (or reasonably would be expected to occur) only to the extent that such event, occurrence, fact, condition or change has a disproportionate effect on the Ultimate Parent or Parent compared to other participants in the industry in which they conducts their business.

“Person” shall mean any individual, Entity or Governmental Body.

“Principal Securityholders” shall mean the stockholders of the Company set forth on Appendix 2 attached hereto and such other stockholders of the Company as are necessary to reach the Required Merger Stockholder Votes.

“Registered IP” means all Intellectual Property Rights that are registered, filed, or issued under the authority of any Governmental Body or authorized private registrar, including all patents, domain names, registered copyrights and registered trademarks and all applications for any of the foregoing.

“Related Documents” means the Agreements of Stockholder, the Agreements of Option Holder, the Agreements of Warrant Holder and any separate non-competition agreements entered into with Per Hellsund and Marty Putnam.

“Representatives” shall mean officers, directors, managers, employees, agents, attorneys, accountants, advisors and representatives.

“Securityholders” shall mean Non-Dissenting Stockholders (other than Ultimate Parent, Parent, Merger Sub, the Company or any direct or indirect Subsidiary of Ultimate Parent, Parent, Merger Sub or the Company) and holders Outstanding Options or Outstanding Warrants immediately prior to the Effective Time.

“Series A Preferred Stock” shall mean the shares of Series A Preferred Stock of the Company, par value \$0.0001 per share.

“Series B Preferred Stock” shall mean the shares of Series B Preferred Stock of the Company, par value \$0.0001 per share.

“Series C Preferred Stock” shall mean the shares of Series C Preferred Stock of the Company, par value \$0.0001 per share.

“Series D Preferred Stock” shall mean the shares of Series D Preferred Stock of the Company, par value \$0.0001 per share.

“Specified Representations” shall mean the representations and warranties set forth in Sections 3.1, 3.2(a), (b), (d) and (f), 3.4, 3.19, 3.21, 3.24, 4.1, 4.3, 4.5, 4.6, 4.7, 4.8 and 4.9 of this Agreement.

“Stockholder Expense Fund” shall mean the fund established pursuant to the Stockholder Expense Fund Agreement.

“Stockholder Expense Fund Agent” shall mean U.S. Bank, N.A.

“Stockholder Expense Fund Initial Amount” shall mean \$500,000.

“Stockholder Expense Fund Agreement” shall mean the Stockholders’ Agent Expense Escrow Agreement to be entered into between the Stockholders’ Agent and the Stockholder Expense Fund Agent on the Merger Closing Date pursuant to which the Stockholder Expense Fund Initial Amount will be paid from amounts otherwise payable to the Securityholders in accordance with Section 2.5.

“Subsidiary” means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof.

“Tax” shall mean all forms of taxation and statutory, governmental, state, principal, local government or municipal impositions, duties, contributions, charges and levies, whenever imposed, and all penalties, charges, surcharges, costs, expenses and interest relating thereto.

“Tax Return” shall mean any return, report, statement, declaration, claim for refund, information return, schedule, notice, notification, election, certificate or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection or payment of any Tax.

Pursuant to Item 601(b)(2) of Regulation S-K, the following Exhibits and Schedules have been omitted and will be furnished supplementally to the SEC upon request:

Exhibit B:	Escrow Agreement
Exhibit C:	Joinder and Acknowledgement Agreement
Exhibit D:	First Amendment to Amended and Restated Voting Agreement
Exhibit E:	Certificate of Amendment to Amended and Restated Certificate of Incorporation
Exhibit F:	Agreement of Stockholder
Exhibit G:	Agreement of Option Holder
Exhibit H:	Agreement of Warrant Holder
Appendix 1	Collaboration Services
Appendix 2	Principal Securityholders
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UNIT PURCHASE AGREEMENT
BY AND AMONG
TECHNE CORPORATION,
NOVUS HOLDINGS, LLC,
THE MEMBERS OF NOVUS HOLDINGS, LLC,
AND
THE MEMBERS' REPRESENTATIVE
July 2, 2014

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UNIT PURCHASE AGREEMENT

THIS UNIT PURCHASE AGREEMENT (this “Agreement”) is made and entered into , as an instrument under seal, as of July 2, 2014, by and among **TECHNE CORPORATION**, a Minnesota corporation (“Purchaser”), **NOVUS HOLDINGS, LLC**, a Delaware limited liability company (the “Company”), the Members (the “Members”) of the Company, and Mainsail Partners II, L.P., solely in its capacity as the Members’ Representative. Certain other capitalized terms used in this Agreement are defined in Exhibit A. Purchaser, the Company, the Members and the Members’ Representative are occasionally referred to herein as the “parties.”

RECITALS

WHEREAS, the Members own all of the issued and outstanding Units; and

WHEREAS, the Members desire to sell, and Purchaser desires to purchase, all of the Units, for the consideration and on the terms set forth in this Agreement (the “Unit Purchase”).

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. SALE AND TRANSFER OF UNITS; PURCHASE PRICE; CLOSING; CLOSING DELIVERIES.

1.1 Units. Subject to the terms and conditions of this Agreement, at the Closing, the Members will sell and transfer the Units to Purchaser, and Purchaser will purchase the Units from the Members.

1.2 Purchase Price. The purchase price (the “Purchase Price”) for the Units will be an amount equal to: (i) \$60,000,000, plus (ii) the amount of Company Cash, if any, minus (iii) the amount of the Company Debt, if any, subject to adjustment as provided in Section 1.6 hereof.

1.3 Payment of Purchase Price. At the Closing, and subject to the conditions set forth in this Agreement, Purchaser will make the following payments:

(a) Indebtedness. Purchaser will pay the amount equal to the Company Debt, by wire transfer of immediately available funds, to each of the payees set forth in the Closing Indebtedness certificate prepared by the Company (the “Closing Debt Certificate”).

(b) Specified Transaction Expenses. Purchaser will pay the amount of the Specified Transaction Expenses, by wire transfer of immediately available funds, to each of the payees set forth in the Closing expense certificate prepared by the Company (the “Closing Expense Certificate”) to accounts designated in the Closing Expense Certificate.

(c) Escrow Amount. Purchaser will pay to the Escrow Agent, by wire transfer of immediately available funds to the account designated by the Escrow Agent, the Escrow Amount, pursuant to the terms and conditions of the Escrow Agreement in substantially the form attached hereto as Exhibit B (the “Escrow Agreement”). The Escrow Amount will be held in an account (the “Escrow Account”) solely for the purpose of securing the indemnification obligations of the Members set forth in this Agreement and making any payments owed to Purchaser or the other Indemnified Persons pursuant to this Agreement. Subject to a reserve for pending claims, the terms and conditions of this Agreement and the Escrow Agreement, the Escrow Agreement will provide for the release of amounts remaining in the Escrow Account on the 15 month anniversary of the Closing; provided, however, that no amounts subject to unresolved claims will be released until such claims are resolved. Any release and payment of amounts remaining in the Escrow Account to the Members will be made in accordance with the Closing Consideration Spreadsheet, as updated in accordance with this Agreement. All fees, costs and expenses of the Escrow Agent with respect to the Escrow Account will be borne fifty percent (50%) by the Purchaser and fifty percent (50%) by the Members. The Escrow Amount will be held by the Escrow Agent under the Escrow Agreement pursuant to the terms thereof. The Escrow Amount will be held as a trust fund and will not be subject to any lien, attachment, trustee process or any other judicial process of any creditor of any party, and will be held and disbursed solely for the purposes and in accordance with the terms of this Agreement and the Escrow Agreement.

(d) Contingency Amount. Purchaser will pay to the Members’ Representative, by wire transfer of immediately available funds to an account designated in writing by the Members’ Representative, an amount equal to \$500,000.00 (the “Contingency Amount”). The Contingency Amount will be used, in the sole and absolute discretion of the Members’ Representative, to pay the costs and expenses, if any, incurred by the Members’ Representative in accordance with or otherwise related to this Agreement and the Escrow Agreement and the transactions contemplated hereby and thereby, and any other costs or expenses incurred by the Members’ Representative in the performance of its obligations as the Members’ Representative. The retention by the Members’ Representative of any amounts in the Contingency Amount shall not be used as evidence that the Members have any liability hereunder. Any amounts received by the Members’ Representative, in its capacity as such, may be used at the Members’ Representative’s discretion to increase the Contingency Amount. If the Members’ Representative determines to release all or a portion of the Contingency Amount, such amounts will be distributed to the Members in accordance with the proportions set forth in the Closing Consideration Spreadsheet.

(e) Company Change in Control Payments. Purchaser will pay to the Company, by wire transfer of immediately available funds to the account(s) designated in writing by the Company, the amount of the Company Change in Control Payments for further distribution through the Company’s payroll system, less any applicable income and employment withholding Taxes, to each of the payees set forth in the Closing Consideration Spreadsheet.

(f) Closing Payment. Purchaser will pay to the Members an amount equal to the Purchase Price, less the Specified Transaction Expenses, the Escrow Amount, the Contingency Amount and the Company Change in Control Payments, by wire transfer of immediately available funds to accounts designated by the recipients.

1.4 Closing. The closing of the purchase and sale of the Units and the transactions relating thereto (the “Closing”) will take place at the offices of Fredrikson & Byron, P.A., located at 200 South Sixth Street, Suite 4000, Minneapolis, MN 55402, concurrently with the execution of this Agreement; provided, however, that the Closing may be conducted by facsimile, .pdf, e-mail, or other form of electronic communication. The date of the Closing is referred to in this Agreement as the “Closing Date.” The Closing will be effective as of 12:01 a.m. local time on the Closing Date.

1.5 Closing Consideration Spreadsheet.

(a) Closing Consideration Spreadsheet. Attached hereto as Exhibit C is a spreadsheet (the “Closing Consideration Spreadsheet”) setting forth all of the following information, estimated as of the Closing Date: (a) correct names of all Members and their respective addresses and taxpayer identification numbers (and such other information as Purchaser may reasonably request) as reflected in the records of the Company; (b) the amount and type of Units held by each of such Members and the Pro Rata Portions of such Members; (c) the amount of the Purchase Price payable to each Member in connection with the Closing; (d) the manner in which any distribution of the Escrow Amount will be distributed among the Members and the manner in which each such distribution will be calculated; (e) the aggregate amount of Company Debt, along with a breakdown by lender, amount of Company Debt and the wire transfer information of each lender; (f) the amount of Specified Transaction Expenses (including an itemized list of each such Specified Transaction Expense indicating the general nature of such expense (e.g., legal, accounting, etc.), and the Person to whom such expense is owed) and the wire transfer information of each such Person; (g) the Escrow Amount; (h) the Contingency Amount; (i) the aggregate amount of Company Change in Control Payments, and (j) the amount of Company Cash, along with a breakdown by Person entitled to receive such payments. In no event will the aggregate amount payable by Purchaser set forth on the Closing Consideration Spreadsheet, or any update thereto, exceed \$60,000,000, as adjusted up or down by the amount of the Company Cash and the Final Adjustment Amount.

(b) Accuracy of Closing Consideration Spreadsheets. The Closing Consideration Spreadsheet and any updates to the Closing Consideration Spreadsheet are the sole responsibility of the Members, and the Members hereby agree that neither the Company nor Purchaser, nor any of Purchaser’s Affiliates, will have any responsibility or liability for any errors, omissions or inaccuracies therein. Purchaser and its Affiliates will be entitled to rely on the accuracy of the Closing Consideration Spreadsheet and any updates to the Closing Consideration Spreadsheet in all respects, and Purchaser’s obligation to make any payments pursuant to this Article 1 will be deemed fulfilled to the extent Purchaser makes such payments in accordance with the foregoing.

1.6 Closing Date Net Working Capital Adjustment.

(a) Delivery of Estimated Closing Date Statement. The Company has delivered to Purchaser the Company’s good-faith estimate of (i) the Closing Date Net Working Capital (the “Estimated Closing Date Net Working Capital”), (ii) the Company Cash at Closing (the “Estimated Company Cash”), and (iii) the corresponding Adjustment Amount prior to the Closing Date (the “Estimated Closing Date Statement”). Such estimates are based on the

Company's books and records, the best estimate of the management of the Company and other information then available. If Purchaser does not agree with the Estimated Closing Date Statement, the Members' Representative and Purchaser will negotiate in good faith to mutually agree on an acceptable Estimated Closing Date Net Working Capital and Estimated Company Cash, and the Members' Representative will consider in good faith any proposed comments or changes that Purchaser may reasonably suggest; provided, however, that the failure to include in the Estimated Closing Date Statement any changes proposed by Purchaser, or the acceptance by Purchaser of the Estimated Closing Date Statement, or the consummation of the Closing, will not limit or otherwise affect Purchaser's remedies under this Agreement, including Purchaser's right to include such changes or other changes in the Closing Date Statement, or constitute an acknowledgment by Purchaser of the accuracy of the Estimated Closing Date Net Working Capital or Estimated Company Cash; provided, further, that the failure of Purchaser and the Members' Representative to reach such mutual agreement will not give any party the right to terminate this Agreement or otherwise fail to close the transactions contemplated hereunder, and the Estimated Closing Date Net Working Capital (i) delivered by the Company or (ii) as agreed to by the Members' Representative and Purchaser will be the figure used for purposes of determining the Estimated Adjustment Amount.

(b) Determination of Adjustment Amount. The Adjustment Amount used for the calculation of the Purchase Price on the Closing Date (the "Estimated Adjustment Amount") will be based on the Estimated Closing Date Net Working Capital, and the Estimated Company Cash will be the amount set forth in the Estimated Closing Date Statement. Purchaser, the Company, the Members and the Members' Representative acknowledge and agree that the exact Adjustment Amount and the exact amount of Company Cash will not be known as of the Closing Date and that the Adjustment Amount determined on the Closing Date and amount of Company Cash determined on the Closing Date may need to be adjusted subsequent to the Closing Date on the basis set forth herein. Accordingly, no later than 75 days after the Closing Date, Purchaser will prepare and deliver to the Members' Representative (i) an unaudited balance sheet of the Company as of the Closing Date (the "Closing Date Balance Sheet") prepared in accordance with GAAP and the Company's past practices (as adjusted by the terms of this Agreement), (ii) a determination of the Closing Date Net Working Capital, (iii) a statement setting forth the determination of the resulting Adjustment Amount, and (iv) its calculation of the actual Company Cash (the "Closing Date Statement"). The Members' Representative and Purchaser will have the right to review all records, work papers and calculations that are reasonably necessary for the purpose of reviewing the Estimated Closing Date Statement, the Closing Date Balance Sheet and the Closing Date Statement. If, for any reason, the Purchaser fails to deliver the Closing Date Statement within the time period required by Section 1.6(b), the Estimated Closing Date Statement delivered by the Company to the Purchaser prior to the Closing shall be considered for all purposes of this Agreement as being the "Closing Date Statement" delivered by the Purchaser pursuant to this section and the Members' Representative shall have all of its rights under this Section 1.6 with respect to such statement.

(c) Members' Representative's Right to Dispute. The Members' Representative will have 30 days after delivery of the Closing Date Statement in which to notify Purchaser in writing (such notice, a "Closing Date Dispute Notice") of any discrepancy in, or disagreement with, the items reflected on the Closing Date Statement (and specifying the amount in dispute and setting forth in reasonable detail the basis for such discrepancy or disagreement),

and upon agreement by Purchaser regarding the adjustment requested by the Members' Representative, an appropriate adjustment will be made thereto. If the Members' Representative does not deliver a Closing Date Dispute Notice to Purchaser during such 30 day period, the Closing Date Statement will be deemed to be accepted in the form presented to the Members' Representative.

(d) Arbitration of Disputes. If the Members' Representative timely delivers a Closing Date Dispute Notice and Purchaser and the Members' Representative do not agree, within 15 days after timely delivery of the Closing Date Dispute Notice, to resolve any discrepancy or disagreement therein, the discrepancy or disagreement will be submitted for review and final determination by the Independent Accounting Firm. The review by the Independent Accounting Firm will be limited to the discrepancies and disagreements set forth in the Closing Date Dispute Notice, and the resolution of such discrepancies and disagreements and the determination of the Closing Date Net Working Capital and Company Cash and the resulting Adjustment Amount by the Independent Accounting Firm shall be (i) in writing, (ii) made in accordance with GAAP (as adjusted by the terms of this Agreement) in accordance with the Company's past practices, (iii) with respect to any specific discrepancy or disagreement, no greater than the higher amount calculated by Purchaser or the Members' Representative, as the case may be, and no lower than the lower amount calculated by Purchaser or the Members' Representative as the case may be, (iv) made as promptly as practical after the submission of such discrepancies and disagreements to the Independent Accounting Firm (but in no event later than 30 days after the date of submission), and (v) final and binding upon, and non-appealable by, the parties hereto and their respective successors and assigns for all purposes hereof, and not subject to collateral attack for any reason absent manifest error or fraud. The fees, costs and expenses of retaining the Independent Accounting Firm shall be borne by the party whose positions generally did not prevail in such determination, or if the Independent Accounting Firm determines that neither party could be fairly found to be the prevailing party, then such fees, costs and expenses shall be borne 50% by the Members (such amount to be paid by the Members' Representative, on the Members' behalf) and 50% by Purchaser.

(e) Finalization of Adjustment Amount. Following the resolution of all objections of the Members' Representative regarding the manner in which any item or items are treated on the Closing Date Statement, by mutual agreement or Independent Accounting Firm, Purchaser will prepare the final Closing Date Statement reflecting such resolution and will deliver copies thereof to the Members' Representative and such final Closing Date Statement will be the "Final Closing Date Statement," and, for the avoidance of doubt, the final Adjustment Amount set forth in the Final Closing Date Statement will be the "Final Adjustment Amount" and the Company Cash set forth in the Final Closing Date Statement will be the "Final Company Cash."

(f) Final Adjustment Amount. If the Final Adjustment Amount exceeds the Estimated Adjustment Amount used for the calculation of the Purchase Price on the Closing Date, then the Purchase Price will be increased on a dollar-for-dollar basis by an amount equal to the entire amount of such difference. If the Estimated Adjustment Amount used for the calculation of the Purchase Price on the Closing Date exceeds the Final Adjustment Amount, then the Purchase Price will be decreased on a dollar-for-dollar basis by an amount equal to the entire amount of such difference.

(g) Payment of Cash Adjustment. If the Final Company Cash exceeds the Estimated Company Cash, then the Purchase Price will be increased on a dollar-for-dollar basis by an amount equal to the entire amount of such difference. If the Estimated Company Cash exceeds the Final Company Cash, then the Purchase Price will be decreased on a dollar-for-dollar basis by an amount equal to the entire amount of such difference.

(h) Payment. Without duplication, all amounts payable pursuant to Sections 1.6(f) and 1.6(g) will be aggregated in determining whether there is reduction or an increase to the Purchase Price pursuant to this Section 1.6. In the event of an increase to the Purchase Price pursuant to this Section 1.6, within five Business Days of the final determination of the Final Adjustment Amount, Purchaser will pay the entire amount of such difference, at the Members' Representative's discretion as set forth in written notice to Purchaser, to either (i) the Members by wire transfer of immediately available funds in accordance with the Closing Consideration Spreadsheet; or (ii) to the Members' Representative, as an addition to the Contingency Amount. In the event of a reduction to the Purchase Price pursuant to this Section 1.5, within five Business Days of the final determination of the Final Adjustment Amount, the Members' Representative will pay to Purchaser the entire amount of such reduction.

(i) Effect on Other Provisions. No adjustment to the Purchase Price pursuant to this Section 1.6 shall independently be considered a breach of any representation, warranty or other provision of this Agreement or any certificate or document delivered pursuant to this Agreement. Neither Purchaser nor the Company shall make any claim in respect of the determination of the Purchase Price or any item included within the determination of the Purchase Price other than in accordance with this Section 1.6.

1.7 Transfer Taxes. All transfer, documentary, recording and other similar fees payable in connection with the execution and delivery of this Agreement, the consummation of the Closing and the other transactions contemplated hereby will be paid by the Members.

1.8 Withholding Rights. Purchaser, the Company and the Escrow Agent, as applicable, will be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any Member such amounts as Purchaser, the Company or the Escrow Agent, as the case may be, is required to deduct and withhold with respect to the making of such payment under the Code or any provision of state, local or foreign Tax law. To the extent that amounts are so withheld and timely paid over to the appropriate Governmental Authority by Purchaser, the Company or the Escrow Agent, such withheld amounts will be treated for all purposes of this Agreement as having been paid to the Member.

1.9 Allocation of Purchase Price. Schedule 1.9 sets forth an agreed methodology for allocation of (a) the Purchase Price based on the fair market value of the assets directly owned (for U.S. federal income tax purposes) by the Company, including the Company's equity interests in Imgenex Corporation, Inc. ("Imgenex") and Novus Biologicals, LLC and (b) the portion of the Purchase Price allocated to the equity interests in Novus Biologicals, LLC pursuant to Section 1.9(a) based on the fair market value of the assets directly owned (for U.S. federal income tax purposes) by Novus Biologicals, LLC, in each case in accordance with Section 1060 of the Code and the Treasury Regulations promulgated thereunder. Purchaser will prepare an Internal Revenue Service Form 8594 with respect to the Unit Purchase, and report the transaction

for all other federal and state income Tax purposes, in a manner that is consistent with Section 5.2(a) and the allocation set forth in Schedule 1.9. The Members will prepare any statement required by Section 751 of the Code and the Treasury Regulations promulgated thereunder with respect to the Unit Purchase, and report the transaction for all other federal and state income Tax purposes, in a manner that is consistent with Section 5.2(a) and the allocation set forth in Schedule 1.9. In the event Purchaser elects under Section 754 of the Code to adjust the basis of assets pursuant to Section 743 of the Code and the Treasury Regulations promulgated thereunder with respect to the Unit Purchase, Purchaser will make any such adjustment and report the transaction for all other federal and state income Tax purposes, in a manner that is consistent with Section 5.2(a) and the allocation set forth in Schedule 1.9.

1.10 Closing Deliverables.

(a) Purchaser Deliverables. Purchaser will, at the Closing, do or cause to be done each of the following:

- (i) deliver the Escrow Agreement, dated as of the Closing Date and executed by Purchaser and the Escrow Agent;
- and
- (ii) such other documents relating to the transactions contemplated by this Agreement as the Members' Representative may reasonably request.

(b) Company and Member Deliverables. The Company and the Members will deliver to Purchaser, at the Closing, as applicable, each of the following:

- (i) the Escrow Agreement, dated as of the Closing Date and executed by the Company and the Members' Representative;
- (ii) separate assignments of the Units by each Member to Purchaser, executed by each Member;
- (iii) resignations of each of the members of the Management Board of the Company and the board of directors (or similar governing body) of each Company Subsidiary and each officer of the Company and each Company Subsidiary, in each case effective no later than immediately prior to the Closing;
- (iv) the Closing Consideration Spreadsheet, which will include the Closing Expense Certificate and the Closing Debt Certificate;
- (v) from each holder of Company Debt, a payoff letter, in form and substance reasonably satisfactory to Purchaser, setting forth the total amount of outstanding Indebtedness due such Person, including accrued interest and any prepayment fees or penalties, as of the Closing Date, and releases, in form and substance reasonably satisfactory to Purchaser, of the Encumbrances set forth on Schedule 1.10(b)(v);
- (vi) a properly executed statement, dated as of the Closing Date, in accordance with Treasury Regulation Sections 1.897-2(h) and 1.1445-2(c)(3), certifying that an interest in Imgenex is not a U.S. real property interest within the meaning of Section 897(c) of the Code, together with the required notice to the IRS and written authorization for Purchaser to deliver such notice and a copy of such statement to the IRS on behalf of Imgenex upon the Closing;

(vii) a properly executed statement, dated as of the Closing Date, from the Company in accordance with Treasury Regulation Section 1.1445-11T(d)(2)(i);

(viii) a properly executed statement, dated as of the Closing Date, from Novus Biologicals, LLC in accordance with Treasury Regulation Section 1.1445-11T(d)(2)(i);

(ix) employment agreements or consulting agreements, dated as of the Closing Date, executed by each of the individuals listed on Schedule 1.10(b)(ix), in the forms attached hereto as Exhibit D-1 and Exhibit D-2, respectively;

(x) The Board and Equity Documents (as defined in Section 2.33);

(xi) terminations of the contracts set forth on Schedule 1.10(b)(xi);

(xii) a certificate of the Secretary of the Company and of each Company Subsidiary certifying to corporate good standing with respect to the Company and each Company Subsidiary and, (i) with respect to the Company, authenticating a certificate of status issued by the Secretary of State of the State of Delaware, authenticating the Certificate of Formation of the Company, certified as of the most recent practicable date by the Secretary of State of the State of Delaware, and the Limited Liability Company Agreement of the Company, and the resolutions of the Board of Managers of the Company approving this Agreement and the transactions contemplated hereunder, and (ii) with respect to each Company Subsidiary, authenticating a certificate of status issued by the applicable Governmental Authority, authenticating the Organizational Documents of such Company Subsidiary, certified as of the most recent practicable date by the applicable Governmental Authority;

(xiii) copies of each of the consents and authorizations described on Schedule 1.10(b)(xiii), which must be in full force and effect;

(xiv) assignments of the Units, executed by each Member; and

(xv) such other documents relating to the transactions contemplated by this Agreement as Purchaser may reasonably request.

1.11 Members' Representative.

(a) Each Member hereby irrevocably constitutes and appoints Mainsail Partners II, L.P. as his, her or its sole, exclusive, true and lawful agent and attorney-in-fact (the "Members' Representative"), with full power of substitution to act in such Member's name, place and stead with respect to all transactions contemplated by and all terms and provisions of this Agreement or the Escrow Agreement, and to act on such Member's behalf in any dispute, litigation or arbitration involving this Agreement or the Escrow Agreement (other than claims against an

individual Member under Section 6.1(c)), and to do or refrain from doing all such further acts and things, and execute all such documents on such Member's behalf, as the Members' Representative deems necessary or appropriate in connection with the transactions contemplated by this Agreement or the Escrow Agreement, including the power: (i) to execute and deliver this Agreement and any and all amendments, waivers or modifications hereof; (ii) to waive any condition to the obligations of such Member to consummate the transactions contemplated by this Agreement; (iii) to execute and deliver all ancillary agreements, certificates and documents, and to make representations and warranties therein, on behalf of such Member that the Members' Representative deems necessary or appropriate in connection with the consummation of the transactions contemplated by this Agreement or the Escrow Agreement; (iv) to receive on behalf of, and to distribute (after payment of (A) any unpaid expenses chargeable to the Members or the Company prior to the Closing in connection with the transactions contemplated by this Agreement, and (B) amounts payable by the Members pursuant to Section 1.6), all amounts payable to such Member under the terms of this Agreement or the Escrow Agreement; and (v) to do or refrain from doing any further act or deed on behalf of such Member as is assigned, delegated or charged to the Members' Representative or that the Members' Representative otherwise deems necessary or appropriate in its sole discretion relating to the subject matter of this Agreement, as fully and completely as such Member could do if personally present. All such actions set forth or described in this Section 1.11(a) will be deemed to be facts ascertainable outside this Agreement and will be binding on the Members.

(b) The appointment of the Members' Representative is deemed coupled with an interest and will be irrevocable, and Purchaser, its Affiliates and any other Person may conclusively and absolutely rely, without inquiry, upon any action of the Members' Representative on behalf of the Members in all matters referred to herein. All notices delivered by Purchaser or the Company (following the Closing) to the Members' Representative (whether pursuant hereto or otherwise) for the benefit of the Members will constitute notice to the Members. The Members' Representative will act for the Members on all of the matters set forth in this Agreement in the manner the Members' Representative believes to be in the best interest of the Members as a whole and consistent with its obligations under this Agreement, but the Members' Representative will not be responsible to the Members for any loss or damages it or they may suffer by reason of the performance by the Members' Representative of its duties under this Agreement, other than loss or damage arising from fraud by the Members' Representative.

(c) If the Members' Representative resigns or is otherwise similarly unable to carry out its duties hereunder, then the Members who held greater than 51% of the Units immediately prior to the Closing (the "Requisite Members") will, within five Business Days, appoint a new Members' Representative. The Requisite Members may at any time, for any reason or no reason, remove the Members' Representative. If at any time there is not a Members' Representative and the Members fail to designate in writing a successor Members' Representative within five Business Days after receipt of a written request delivered by Purchaser to the Requisite Members requesting that a successor Members' Representative be designated in writing, then Purchaser may petition a court of competent jurisdiction to appoint a new Members' Representative hereunder.

(d) All actions, decisions and instructions of the Members' Representative taken, made or given pursuant to the authority granted to the Members'

Representative pursuant to this Section 1.11 will be conclusive and binding upon each Member, and no Member will have the right to object, dissent, protest or otherwise contest the same. Each Member, by the execution and delivery of this Agreement, will be deemed to have approved, confirmed and ratified any action taken by the Members' Representative in the exercise of the power-of-attorney granted to the Members' Representative pursuant to this Section 1.11, which power-of-attorney, being coupled with an interest, is irrevocable and will survive the death, incapacity or incompetence of each such Member.

(e) The Members' Representative will not be liable to the Members for any act done or omitted hereunder in its capacity as the Members' Representative unless caused by fraud by the Members' Representative. The Members' Representative will not have any fiduciary, agency or other duties to the Members and its only obligations will be as expressly set forth in this Agreement. The Members' Representative is serving in that capacity solely for purposes of administrative convenience, and is not personally liable for any of the obligations of the Members hereunder, and Purchaser and the Company agree that they will not look to the underlying assets of the Members' Representative for the satisfaction of any obligations of the Members (or any of them). The Members will severally, in accordance with their respective Pro Rata Portions (and not jointly), indemnify and defend the Members' Representative and hold the Members' Representative on demand harmless against any damages incurred by the Members' Representative and arising out of or in connection with the acceptance, performance or administration of the Members' Representative duties hereunder or under the Escrow Agreement, including the reasonable fees and expenses of any legal counsel, accountants, auditors and other advisors retained by the Members' Representative, which rights will survive the resignation or removal of the Members' Representative. The Members' Representative will be entitled to retain its own counsel and other professional advisers in connection with the acceptance, performance or administration of the Members' Representative's duties hereunder or under the Escrow Agreement or the exercise of any of the Members' Representative's rights hereunder, and will further be entitled to withdraw from the Contingency Amount the amount of any fees and expenses of such counsel and professionals. In the event of any ambiguity or uncertainty hereunder, the Members' Representative may, in its sole and reasonable discretion, refrain from taking any action, unless the Members' Representative receives written instructions, signed by the Requisite Members, that eliminate such ambiguity or uncertainty.

(f) If (i) the Members' Representative elects (1) to assume and control the defense and/or management of any Third Party Claim at the expense of Members in accordance with Section 6.1(f) hereof or (2) to take any other action under this Agreement or the Escrow Agreement that may require the payment of amounts out of the Contingency Amount, including for any attorneys, accountants, auditors or other advisors, and (ii) the Members' Representative's good faith estimate of the reasonable expenses to be incurred by of the Members' Representative in connection with any such action exceeds the balance of the Contingency Amount, the Members' Representative may refrain from taking any such action until such time as the Members' Representative, upon seven days' notice to the Members, receives written commitments signed by the Requisite Members for payment of such expenses, in which case all Members will pay their Pro Rata Portion of such estimated expenses. Any such initial notice by the Members' Representative to the Members will include a statement of the balance of the Contingency Amount, the good faith estimate of the reasonable expenses to be incurred by the Members' Representative, the amount by which the estimated expenses to be incurred exceed the

balance of the Contingency Amount, and each Member's Pro Rata Portion of such excess expense amount. Each Member will deliver its Pro Rata Portion of any excess expense amount by wire transfer of immediately available funds, using the wire instructions identified in any such initial notice, no later than ten days following the date on which the Members' Representative gives such Member notice of the receipt of commitments signed by the Requisite Members for payment of such excess expenses; provided, however, that no Member will be required to make any payments, individually or in the aggregate, pursuant to this Section 1.11(f) in excess of the Purchase Price previously received by such Member. Any amounts thus paid will increase the balance of the Contingency Amount. The Members' Representative may invest the Contingency Amount as it determines in its discretion. Any amounts released from the Contingency Amount will be released to each Member based on such Member's Pro Rata Portion of any remaining amount of the Contingency Amount.

2. REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY AND THE COMPANY SUBSIDIARIES.

Except as disclosed in a disclosure schedule of even date herewith delivered by the Company and the Members to Purchaser (the "Company Disclosure Schedule"), the Company hereby represents and warrants to Purchaser, as of the date hereof and as of the Closing, that the following statements are true and correct as of the date hereof. Except for the representations and warranties expressly set forth in this Article 2, the Company makes no other representations or warranties regarding the Company or the Company Subsidiaries (either express or implied).

2.1 Organization, Standing and Power. The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the requisite limited liability company power to own, lease and operate its properties and to carry on its business as now being conducted. The Company is duly qualified to do business, and is in good standing (if such concept is applicable in the relevant jurisdiction), in each jurisdiction where the operation of the Company's current business by the Company requires such qualification, except where the failure to be so qualified or licensed and in good standing would not have a Company Material Adverse Effect. The Company has posted in the Data Room true and correct copies of the Company's Organizational Documents, in each case as in effect as of the date of this Agreement.

2.2 Company Subsidiaries. Section 2.2 of the Company Disclosure Schedule sets forth the name and jurisdiction of organization of each Company Subsidiary and the Company's or another Company Subsidiary's ownership in each Company Subsidiary. Each Company Subsidiary is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization. Each Company Subsidiary has the requisite company power to own, lease and operate its properties and to carry on its business as now being conducted. Each Company Subsidiary is duly qualified to do business, and is in good standing (if such concept is applicable in the relevant jurisdiction), in each jurisdiction where the operation of such Company Subsidiary's current business by such Company Subsidiary requires such qualification, except where the failure to be so qualified or licensed and in good standing would not have a Company Material Adverse Effect. The Company has posted in the Data Room true and correct copies of the Organizational Documents of each Company Subsidiary, in each case as in effect as of the date of this Agreement.

2.3 Power and Authority. The Company has all requisite power and authority to execute and deliver this Agreement and all documents contemplated hereby to which the Company is a party or signatory, to consummate the Closing and the other transactions contemplated hereby and to perform its obligations hereunder and thereunder. The execution and delivery by the Company of this Agreement and all documents contemplated hereby to which the Company is a party or signatory, and the consummation by the Company of the Closing and the other transactions contemplated hereby and thereby, have been duly authorized and approved unanimously by the Company's Management Board, and no other proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Company, and, assuming this Agreement constitutes a valid and binding obligation of the other parties hereto, this Agreement constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to creditors' rights generally and general principles of equity, regardless of whether asserted in a proceeding in equity or at law.

2.4 Capitalization.

(a) The authorized, issued and outstanding equity securities of the Company is set forth in Section 2.4(a) of the Company Disclosure Schedule. The Units constitute all of the issued and outstanding equity securities in the Company. All outstanding Units (a) are duly authorized, validly issued, fully paid and non-assessable, (b) are free of any Encumbrances, and (c) were not issued in violation of any preemptive rights or rights of first refusal created by statute, the Organizational Documents of the Company or any agreement to which the Company is a party or by which it is bound. Except as set forth in Section 2.4(a) of the Company Disclosure Schedule, there are no options, warrants, calls, rights, commitments or agreements that are outstanding to which the Company is a party or by which it is bound, obligating the Company to issue, deliver, sell, repurchase or redeem, or cause to be issued, delivered, sold, repurchased or redeemed, any Units or obligating the Company to grant, or enter into any option, warrant, call, right, commitment or agreement regarding Units. Except for the Company's Organizational Documents, and except as set forth in Section 2.4(a) of the Company Disclosure Schedule, there are no contracts, commitments or agreements relating to the voting, purchase or sale of Units (x) between or among the Company and any of the Members or (y) between or among any Members.

(b) The authorized, issued and outstanding equity securities of each Company Subsidiary is set forth in Section 2.4(b) of the Company Disclosure Schedule. The equity securities of each Company Subsidiary set forth in Section 2.4(b) of the Company Disclosure Schedule constitute all of the issued and outstanding equity securities in each such Company Subsidiary. All such outstanding equity securities (a) are duly authorized, validly issued, fully paid and non-assessable (to the extent such concepts are applicable to such equity securities), (b) are free of any Encumbrances, and (c) were not issued in violation of any preemptive rights or rights of first refusal created by statute, the Organizational Documents of the Company Subsidiaries or any agreement to which any Company Subsidiary is a party or by which it is bound. Except as set forth in Section 2.4(b) of the Company Disclosure Schedule, there are no options, warrants, calls, rights, commitments or agreements that are outstanding to which any Company Subsidiary is a party or by which it is bound, obligating any Company Subsidiary to

issue, deliver, sell, repurchase or redeem, or cause to be issued, delivered, sold, repurchased or redeemed, any equity securities or obligating any Company Subsidiary to grant, or enter into any option, warrant, call, right, commitment or agreement regarding equity securities. Except as set forth in Section 2.4(b) of the Company Disclosure Schedule, there are no contracts, commitments or agreements relating to the voting, purchase or sale of the equity securities of any Company Subsidiary (x) between or among the Company, any Company Subsidiary and any of the Members or (y) between or among any Members.

(c) All outstanding securities of the Company and the Company Subsidiaries have been offered and issued in compliance in all material respects with all applicable securities laws, including the Securities Act and all applicable “blue sky” laws.

2.5 Noncontravention. Except as set forth in Section 2.5 of the Company Disclosure Schedule, the execution and delivery of this Agreement by the Company does not constitute, and the consummation by the Company of the transactions contemplated hereby will not (with or without notice or lapse of time, or both) result in, a termination, or breach or violation by the Company or any Company Subsidiary of, or a default by the Company or any Company Subsidiary under, or result in the loss of any benefit under, or give rise to any right of termination, cancellation, increased payments or acceleration under, or result in the creation of any Encumbrance, or require any consent under, (a) any provision of the Company’s Organizational Documents, as amended to date; (b) any provision of the Organizational Documents of any Company Subsidiary; (c) any Material Contract or (d) any Legal Requirement applicable to the Company or any Company Subsidiary or any of their respective properties or assets. No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Authority is required to be obtained or made by the Company or any Company Subsidiary in order for the Company to execute and deliver this Agreement or to consummate the Closing or the other transactions contemplated hereby.

2.6 Governmental Authorizations. The Company and each Company Subsidiary has at all times maintained each federal, state, county, local or foreign Governmental Authority consent, license, permit, grant, approval or other authorization (“Permits”) required for the operation by the Company and each such Company Subsidiary of its business, and all of such Permits obtained by the Company and the Company Subsidiaries are in full force and effect. Neither the Company nor any Company Subsidiary has received written notice from any Governmental Authority with respect to the revocation, material limitation or termination of any such Permit. The Company and the Company Subsidiaries are in material compliance with the terms of all such Permits.

2.7 Financial Statements; Internal Controls.

(a) Attached as Section 2.7 of the Company Disclosure Schedule are (i) the audited consolidated balance sheets, statements of income and members’ equity and statements of cash flows of the Company as of and for the fiscal years ended December 31, 2013 and December 31, 2012 and (ii)(1) the unaudited balance sheet of Company (the “Company Balance Sheet”) as of May 31, 2014 (the “Company Balance Sheet Date”) and (2) the unaudited consolidated statements of income, members’ equity and cash flows for the five-month period ended May 31, 2014, in the case of (i) above, together with the notes to such financial statements

(collectively, the “Company Financial Statements”). The Company Financial Statements (i) are consistent with the books and records of the Company; (ii) have been prepared in accordance with GAAP (except as otherwise stated therein or in the case of the unaudited Company Financial Statements, for the omission of footnotes and subject to normal year-end adjustments) applied on a consistent basis throughout the periods covered; and (iii) fairly present, in all material respects, the financial position, results of income, members’ equity and cash flows of the Company on a consolidated basis as of the dates indicated therein, subject to normal year-end adjustments and the absence of footnotes in the case of the unaudited Company Financial Statements. The statements of income included in the Company Financial Statements do not contain any items of special or nonrecurring income or any other income not earned in the ordinary course of business required to be disclosed separately in accordance with GAAP, except as expressly specified in the applicable statement of operations or notes thereto. The financial books of account of the Company have been maintained in accordance with customary business practices and fairly and accurately reflect, in all material respects, on a basis consistent with past periods through the periods involved all of the material transactions of the Company, and the Company Financial Statements have been prepared and presented based upon and in conformity therewith. The Company has provided or made available to Purchaser copies of all material correspondence with its independent certified accountants since January 1, 2011.

(b) The Company and the Company Subsidiaries maintain a system of internal controls over financial reporting that provides commercially reasonable assurance that (i) records are maintained in reasonable detail and accurately and fairly reflect the transactions and dispositions of the assets of the Company and the Company Subsidiaries; (ii) receipts and expenditures and other transactions are executed in accordance with the authorization of management; (iii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for the assets and liabilities of the Company and the Company Subsidiaries; and (iv) there is prevention or timely detection of the unauthorized acquisition, use, or disposition of assets of the Company and the Company Subsidiaries that would affect the Company’s financial statements.

2.8 Absence of Undisclosed Liabilities. Except as set forth on Section 2.8 of the Company Disclosure Schedule, as of the date hereof, the Company and the Company Subsidiaries do not have and have not incurred any material liability or obligation of any nature (whether direct or indirect, matured or unmatured, or absolute, accrued, contingent or otherwise), except (a) for liabilities permitted by or incurred pursuant to this Agreement; (b) as disclosed in the Company Disclosure Schedule; (c) as reflected on the Company Balance Sheet; (d) performance or payment obligations that are unmatured, unliquidated or contingent pursuant to the contracts, commitments, instruments and other agreements and documents disclosed in the Company Disclosure Schedule (including all obligations for future performance under such contracts other than any obligations arising from a breach or failure to comply by the Company or any Company Subsidiary with any obligations contained therein at any time prior to the Effective Time); or (e) liabilities or obligations (other than obligations for borrowed money or in respect of capitalized leases) reasonably incurred after the Company Balance Sheet Date in the ordinary course of business (none of which are material in nature or amount).

2.9 Absence of Certain Developments. Except as set forth on Section 2.9 of the Company Disclosure Schedule and as otherwise contemplated by this Agreement, since

December 31, 2013, (a) the Company and the Company Subsidiaries have conducted their respective businesses in the ordinary course of business; and (b) there has not been any Company Material Adverse Effect. Without limiting the generality of the foregoing, since December 31, 2013, neither the Company nor any Company Subsidiary has taken any of the following actions:

(a) amended the Organizational Documents of the Company or of any Company Subsidiary;

(b) transferred, issued, sold, pledged, encumbered or disposed of any Units or other securities of, or ownership interests in, the Company or any Company Subsidiary, or otherwise changed its capitalization, or issued, granted or sold any options, warrants, conversion rights or other rights, securities or commitments obligating it to issue or sell any Units, or any securities or obligations convertible into, or exercisable or exchangeable for, any Units, or securities of any Company Subsidiary;

(c) (i) effected any recapitalization, reclassification, Unit split, combination or like change in the capitalization of the Company or any Company Subsidiary, or amended the terms of any outstanding securities of the Company or any Company Subsidiary or the underlying agreements related thereto; (ii) declared, set aside or paid any distribution payable in cash, stock or other property whether or not in respect of its Units; or (iii) redeemed, purchased or otherwise acquired directly or indirectly any of the equity securities of the Company or any Company Subsidiary;

(d) spent or committed to any new capital expenditures (other than capital expenditures already reserved pursuant to the budget for the current fiscal year) in excess of \$25,000, whether individually or in the aggregate;

(e) entered into or amended any agreement pursuant to which the Company or any Company Subsidiary granted or received rights in or to any material Intellectual Property;

(f) failed to take any action or paid any fee required in connection with the renewal, continuation, or continued prosecution of any Owned Intellectual Property;

(g) except in the ordinary course of business: (i) granted or announced any increase in the salary, severance or other direct or indirect compensation or benefits payable or to become payable to any employee or consultant (except as required by law or under any Employee Plan); (ii) granted any bonus, benefit or other direct or indirect compensation to any employee or consultant; (iii) loaned or advanced any money or other property to any employee or consultant (except advancement of expenses as required by any of the existing Employee Plans in the ordinary course of business); or (iv) except as required by applicable Legal Requirements, amended, terminated, modified, extended, or materially increased the rate or terms of benefits provided under, any Employee Plan or entered into, granted, or adopted any arrangement that would be an Employee Plan;

(h) sold, assigned, leased, transferred or licensed to any Person, or permitted the imposition of any Encumbrance (other than Permitted Encumbrances) on, any of its properties or assets, other than in the ordinary course of business;

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- (i) formed any Subsidiary or acquired any interest in any other Person (except for short-term investments in the ordinary course of business);
- (j) incurred, created or assumed any Indebtedness or amended, modified or made any changes to the terms of any Indebtedness, except in an amount not in excess of \$100,000, whether individually or in the aggregate;
- (k) acquired or agreed to acquire by merging with, or by purchasing a substantial portion of the equity interests or assets of, or by any other manner, any business or any Person or division thereof or otherwise acquired or agreed to acquire any assets that are material individually or in the aggregate to the business of the Company and the Company Subsidiaries, taken as a whole;
- (l) amended, modified or changed any of its accounting policies, practices or procedures, except as required by GAAP;
- (m) amended, modified or made any changes in the Company's or any Company Subsidiary's standardized or other sales terms and conditions, other than in the ordinary course of business;
- (n) delayed or postponed any payment of any accounts payable or other payables or expenses, or accelerated the collection of accounts receivable or cash collections of any type, other than in the ordinary course of business;
- (o) entered into any Material Contract, or amended, modified, elected not to renew or terminated any Material Contract, except, in each case, in the ordinary course of business;
- (p) amended, modified, terminated or made any changes to the coverage levels of any insurance coverage provided by existing insurance policies, other than in the ordinary course of business;
- (q) instituted any legal proceeding or claim, or compromised, settled, or failed to defend any pending legal proceeding or any claim, except for settlements or compromises in an amount less than \$25,000, whether individually or in the aggregate, for which the Company and any applicable Company Subsidiary received a full release;
- (r) communicated with any Governmental Authority regarding the businesses of the Company or any Company Subsidiary with respect to any matter that could, or could reasonably be expected to, have a Company Material Adverse Effect or result in the institution of any investigation or legal proceeding against the Company or any Company Subsidiary;
- (s) waived any right of material value;
- (t) made, amended, modified, revoked or changed any election in respect of Taxes, amended, modified, adopted or changed (or made a request to change) any accounting method in respect of Taxes, entered into any Tax sharing, Tax indemnity or closing

agreement, settled or compromised any claim, notice, audit report or assessment in respect of Taxes, surrendered any claim for a refund of Taxes, filed any Tax return other than one prepared in the ordinary course of business, filed any amended Tax return or consented to any extension or waiver of the limitation period applicable to any Tax return, Tax claim or assessment in respect of Taxes; or

(u) agreed or committed, whether in writing or otherwise, to take any of the actions described in Sections 2.9(a) through 2.9(t).

2.10 Inventory. Except as set forth on Section 2.10 of the Company Disclosure Schedule, (a) the inventories of the Company and the Company Subsidiaries are in good and marketable condition and are usable and of a quantity and quality saleable in the ordinary course of business; (b) the inventories of the Company and the Company Subsidiaries set forth in the Company Balance Sheet and reflected in the Closing Date Net Working Capital were valued at the lower of cost or market value (net realizable value) and their value is stated therein in accordance with GAAP; (c) the inventories of the Company and the Company Subsidiaries constitute sufficient quantities to conduct their businesses in the ordinary course of business; and (d) all inventories of the Company and the Company Subsidiaries are located at the Leased Real Property.

2.11 Accounts Receivable. All accounts receivable of the Company and the Company Subsidiaries have arisen from *bona fide* transactions in the ordinary course of business consistent with the GAAP. All accounts receivable of the Company and the Company Subsidiaries set forth on the Company Balance Sheet and reflected in the Closing Date Net Working Capital are good and collectible at the aggregate recorded amounts thereof, net of recorded reserves that are adequate and were calculated in accordance with GAAP. All accounts receivable arising after the Company Balance Sheet Date are good and collectible at the aggregate recorded amounts thereof, net of recorded reserves that are adequate and were calculated in accordance with GAAP. None of the accounts receivable of the Company or any Company Subsidiary (i) are subject to any setoffs or counterclaims other than the Company's recorded reserves; or (ii) represent obligations for goods sold on consignment, on approval or on a sale-or-return basis, or subject to any other repurchase or return arrangement.

2.12 Litigation. Except as set forth in Section 2.12 of the Company Disclosure Schedule, there is no litigation, action, suit, proceeding, claim, arbitration or investigation pending or, to the Knowledge of the Company, threatened in writing against the Company or any Company Subsidiary, or to which the Company or any Company Subsidiary is otherwise a party, nor to the Knowledge of the Company, is there any reasonable basis for any such litigation, action, suit, proceeding, claim, arbitration or investigation. Except as set forth in Section 2.12 of the Company Disclosure Schedule, (i) neither the Company nor any Company Subsidiary is subject to any judgment, ruling, order, writ, decree, stipulation, injunction or determination or in breach or violation of any judgment, ruling, order, writ, decree, stipulation, injunction or determination, (ii) neither the Company nor any Company Subsidiary is engaged in any legal action to recover monies due to it or for damages sustained by it, and (iii) since January 1, 2010, neither the Company nor any Company Subsidiary has been party or subject to any adverse judgment or settlement of any Legal Proceeding in an amount exceeding \$75,000 or that resulted in any material non-monetary relief. To the extent allowed pursuant to any applicable law or order, the

Company has posted in the Data Room true, correct and complete copies of all court submissions and correspondence relating to active matters included on in Section 2.12 of the Company Disclosure Schedule.

2.13 Restrictions on Business Activities. There is no agreement, judgment, injunction, order or decree binding upon the Company or any Company Subsidiary that has, or would reasonably be expected to have, the effect of prohibiting or materially impairing the conduct of the business of the Company or any Company Subsidiary as currently contemplated.

2.14 Intellectual Property.

(a) Section 2.14(a) of the Company Disclosure Schedule provides a complete and accurate list of all patents, patent applications, copyright applications and registrations, domain name registrations, and trademark applications and registrations that constitute Owned Intellectual Property, and specifying as to each, as applicable: the title or mark; the owner; the applicable jurisdiction; the registration or application serial number; and the registration or application date (collectively, "Registered Intellectual Property").

(b) Section 2.14(b) of the Company Disclosure Schedule provides a complete and accurate list, including the date, title and parties of all IP Agreements under which the Company or one of the Company Subsidiaries (i) is the licensee or that otherwise relate to the Company's or any Company Subsidiary's use of Intellectual Property and (ii) made average aggregate annual payments to the licensor in excess of \$25,000 during the three most recent calendar years (or for license agreements entered into on or after January 1, 2011, since the date of such license agreement) (each, a "Material IP Agreement"). Section 2.14(b) of the Company Disclosure Schedule sets forth, for each Material IP Agreement, the product(s) of the Company to which such Material IP Agreement relates. Except as set forth in Section 2.14(b) of the Company Disclosure Schedule, with respect to each Material IP Agreement: (i) such Material IP Agreement is in full force and effect as of the date hereof and constitutes a legal, valid and binding agreement of the Company or a Company Subsidiary, and any other party thereto, enforceable in accordance with its terms, subject to the effect, if any, of (A) bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or other similar laws relating to or affecting the rights or remedies of creditors or (B) general principles of equity, regardless of whether asserted in a proceeding in equity or at law (including the possible unavailability of specific performance or injunctive relief); (ii) the Company and the Company Subsidiaries have performed and complied in all material respects with all obligations required to be performed or complied with by them under each Material IP Agreement; and (iii) to the Knowledge of the Company, (A) no party to such Material IP Agreement is in breach or default of such Material IP Agreement, and (B) the Company has not received any written notice of any breach or default by the Company or any Company Subsidiary of such Material IP Agreement that, with notice or lapse of time would constitute a breach or default thereunder by the Company or a Company Subsidiary, or would permit the modification or premature termination of such IP Agreement by any other party thereto. No party to any Material IP Agreement has made or asserted any defense, set-off or counterclaim under such Material IP Agreement or has exercised, or notified the Company or any Company Subsidiary of any intent to exercise, any right to cancel, terminate or shorten the term of or otherwise modify any such IP Agreement.

(c) Except as set forth in Section 2.14(c) of the Company Disclosure Schedule, (i) the Company or a Company Subsidiary owns all right, title and interest in and to all of the Owned Intellectual Property and is the owner of record of, all of the Registered Intellectual Property; and (ii) the Owned Intellectual Property is free and clear of any Encumbrances (other than Permitted Encumbrances) and free from any requirement of any past, present or future payments (other than maintenance and similar payments), charges or fees or conditions, rights or restrictions.

(d) Except as set forth in Section 2.14(d) of the Company Disclosure Schedule, the Company or a Company Subsidiary has a valid right to use all Intellectual Property other than patents that is not Owned Intellectual Property and that is used in or necessary for the conduct of the business of the Company and the Company Subsidiaries as currently conducted; and to the Knowledge of the Company, the Company or a Company Subsidiary has a valid right to use all patents that are not Owned Intellectual Property and that are used in or necessary for the conduct of the business of the Company and the Company Subsidiaries as currently conducted.

(e) No product currently sold or service currently rendered by the Company or any Company Subsidiary, has been alleged in writing to infringe upon, misappropriate, dilute or otherwise violate, any Intellectual Property owned or held by any other Person, except (i) as set forth in Section 2.14(d) of the Company Disclosure Schedule or (ii) where the failure to have rights to practice such Intellectual Property or other rights would reasonably be expected to have a Company Material Adverse Effect.

(f) The rights of the Company and the Company Subsidiaries in and to all Owned Intellectual Property are valid and enforceable, and no Owned Intellectual Property is subject to any outstanding judgment, ruling, order, writ, decree, stipulation, injunction or determination by or with any Governmental Authority restricting the use of such Intellectual Property, nor is there, or has there been, any pending or, to the Knowledge of the Company, threatened in writing, legal, administrative or governmental action, suit, claim or proceeding relating to any Owned Intellectual Property (including any interference, reissue, reexamination or opposition proceeding or proceeding contesting the rights of the Company or any Company Subsidiary to any Owned Intellectual Property or the ownership, use, enforceability or validity of any Owned Intellectual Property).

(g) The Company and the Company Subsidiaries are in compliance in all material respects with respect to all applicable Legal Requirements regarding the payment of filing, examination, and maintenance fees and proofs of working or use with regards to all Registered Intellectual Property for which the Company or any Company Subsidiary controls the prosecution.

(h) The Company and the Company Subsidiaries have taken all reasonable steps to protect and preserve the confidentiality of all trade secrets included in the Owned Intellectual Property that are material to the Company's business, and all such trade secrets are not part of the public knowledge or literature, and, to the Knowledge of the Company, have not been used, divulged, or appropriated to the detriment of the Company or any Company Subsidiary.

(i) All current and former employees and independent contractors and consultants of the Company and the Company Subsidiaries who contributed to the creation or development of any Intellectual Property for the Company or the Company Subsidiaries during the course of their employment or engagement with the Company or a Company Subsidiary (i) have an obligation of confidentiality to the Company and/or a Company Subsidiary with respect to such Intellectual Property and (ii) with respect to such Intellectual Property, have duly executed and delivered agreements with the Company or a Company Subsidiary assigning to the Company or a Company Subsidiary all such Intellectual Property, including inventions, discoveries and ideas, whether or not patented or patentable, conceived or reduced to practice during the course of their employment or engagement by the Company or a Company Subsidiary.

(j) Except as set forth in Section 2.14(j) of the Company Disclosure Schedule, the consummation of the transactions contemplated under this Agreement will not result in the loss or impairment of the Company's or a Company Subsidiary's right to own or use the Business Intellectual Property and will not entitle any Person to impose restrictions on or obtain rights to or receive compensation based on the Business Intellectual Property.

(k) The Company and the Company Subsidiaries are, and have at all times been, in material compliance with (i) all applicable Legal Requirements regarding the protection, storage, use, and disclosure of Personal Data; (ii) the privacy policies and other contracts (or portions thereof), if any, in effect between the Company or a Company Subsidiary and customers of the Company or a Company Subsidiary; and (iii) contracts (or portions thereof), if any, between the Company or a Company Subsidiary and vendors, marketing affiliates, and other business partners, including business associate agreements, in each case in clauses (ii) and (iii), that are applicable to the use and disclosure of Personal Data (such policies and contracts being hereinafter referred to as "Privacy Agreements"). To the Knowledge of the Company and the Company Subsidiaries, the Company and the Company Subsidiaries have the right to use the Personal Data in their businesses for the purpose such information is used. The Company and the Company Subsidiaries have taken reasonable steps to protect and preserve the privacy and security of all Personal Data in the possession of the Company and the Company Subsidiaries, whether in written or electronic form. The Company and the Company Subsidiaries have complied with their written privacy policies, and neither the execution, delivery or performance of this Agreement, nor the consummation of any of the transactions contemplated by this Agreement, including any the transfer of Personal Data resulting from such transactions, will violate any Privacy Agreements or any applicable Legal Requirements pertaining to privacy or Personal Data as it currently exists or as it existed at any time during which any of such Personal Data was collected or obtained.

(l) The Company and the Company Subsidiaries have reasonable safeguards in place to protect Personal Data in the Company's and the Company Subsidiaries' possession or control from unauthorized access by third persons, including policies prohibiting unauthorized access by the Company's and the Company Subsidiaries' employees and contractors. For Personal Data subject to the applicable Legal Requirements of countries outside the United States, including countries within the European Union, such Personal Data has only been transferred by the Company or a Company Subsidiary to a country other than the country in which it was originally collected (or, in the case of Personal Data collected in a country within the European Union, outside the European Economic Area) where the Company and the Company Subsidiaries have taken steps to ensure protection for such Personal Data in compliance with

applicable Legal Requirements. To the Knowledge of the Company and the Company Subsidiaries, no person has withdrawn his or her consent to any use or processing of his or her Personal Data or requested erasure of their Personal Data by the Company or the Company Subsidiaries in the three years prior to the date of this Agreement, where Company has not complied with such request.

(m) Since January 1, 2010, to the Company's and the Company Subsidiaries' Knowledge, no Person has made any illegal or unauthorized use of Personal Data that was collected by or on behalf of the Company or the Company Subsidiaries. To the Company's and the Company Subsidiaries' Knowledge, since January 1, 2010, the Company and the Company Subsidiaries have not made or suffered any unauthorized acquisition, access, use or disclosure of any Personal Data that, individually or in the aggregate, materially compromises the security or privacy of such Personal Data. The Company and the Company Subsidiaries have not notified, either voluntarily or as required by a Legal Requirement, any affected individual, any Governmental Authority, or the media of any breach of Personal Data, and the Company and the Company Subsidiaries are not currently planning to conduct any such notification or investigating whether any such notification is required.

(n) The Company and the Company Subsidiaries are not subject to any pending Action or, to the Knowledge of the Company, investigation, audit or review by a Governmental Authority, nor, to the Knowledge of the Company, has any action been threatened in writing, for a violation of any Privacy Agreements or any applicable Law pertaining to privacy or Personal Data. The Company and the Company Subsidiaries have not received any written notices from the United States Department of Health and Human Services Office of Civil Rights or Department of Justice relating to any such violations.

(o) Neither the Company nor any Company Subsidiary has delivered, licensed or made available, and has no duty or obligation (whether present, contingent, or otherwise) to deliver, license or make available, the source code for any software developed for the Company or any Company Subsidiary to any Person who is not, as of the date of this Agreement, an employee of the Company or a Company Subsidiary.

(p) Section 2.14(p) of the Company Disclosure Schedule (i) contains a complete and accurate list of all Open Source Software that is used, embedded, or distributed by the Company and the Company Subsidiaries, including Open Source Software that is incorporated into, integrated or bundled with, linked with, used in the development or compilation of, or otherwise used in or with any products, and (ii) identifies the license applicable to each such item of Open Source Software. The Company and each Company Subsidiary has used commercially reasonable efforts to regulate the use and distribution of Open Source Software in connection with the business of the Company and the Company Subsidiaries, in compliance with the applicable Open Source Software licenses.

(q) The Company and the Company Subsidiaries use commercially reasonable tools to protect against spyware, Trojan horses, worms, viruses or other software routines that permit or cause unauthorized access to, or disruption, impairment, disablement, or destruction of, Software, data or other materials ("Contaminants").

(r) In the 12-month period prior to the date hereof, there has been no failure, breakdown or continued substandard performance of any of the Company's or Company Subsidiaries' Software, hardware, networks, communications facilities, platforms and related systems and services used by the Company and the Company Subsidiaries that has caused a material disruption or interruption in the operation of the business or the Company or any Company Subsidiary. The Company and the Company Subsidiaries make back-up copies of data and information critical to the conduct of the business of the Company and the Company Subsidiaries.

2.15 Interested Party Transactions. Except as set forth in Section 2.15 of the Company Disclosure Schedule, neither the Company nor any Company Subsidiary is indebted to any Member, officer, director or employee of the Company or any Company Subsidiary (except for amounts due as salaries and bonuses under employment contracts or employee benefit plans and amounts payable in reimbursement of ordinary expenses, in each case as reflected in the Company's and the Company Subsidiaries' books and records), and no such Member, officer, director or employee is indebted to the Company or any Company Subsidiary. Except as set forth in Section 2.15 of the Company Disclosure Schedule, no Member or any Affiliate thereof owns or has any interest in any property (real or person, tangible or intangible), used in or pertaining to the business of the Company or any Company Subsidiary other than as a result of his, her or its ownership of, or interest in, Units or any other securities of the Company or the Company Subsidiaries set forth in Section 2.15 of the Company Disclosure Schedule.

2.16 Material Contracts.

(a) Section 2.16(a) of the Company Disclosure Schedule lists all of the Material Contracts in effect as of the date of this Agreement. The Company has posted in the Data Room, or made available to Purchaser or its Representatives, a complete and accurate copy of each such Material Contract (including, with respect to each oral contract that is a Material Contract, written summaries of all material terms thereof) and all amendments or modifications thereto that exist as of the date of this Agreement.

(b) With respect to each Material Contract: (i) such Material Contract is in full force and effect as of the date hereof and constitutes a legal, valid and binding agreement of the Company or a Company Subsidiary, and any other party thereto, enforceable in accordance with its terms, subject to the effect, if any, of (A) bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or other similar laws relating to or affecting the rights or remedies of creditors or (B) general principles of equity, regardless of whether asserted in a proceeding in equity or at law (including the possible unavailability of specific performance or injunctive relief); (ii) the Company and the Company Subsidiaries have performed and complied in all material respects with all obligations required to be performed or complied with by them under each Material Contract; and (iii) (A) no party to such Material Contract is in breach or default of such Material Contract, and (B) no event has occurred that with notice or lapse of time would constitute a breach or default thereunder by the Company or a Company Subsidiary or any other party thereto, or would permit the modification or premature termination of such Material Contract by any other party thereto. No party to any Material Contract has made or asserted any defense, set-off or counterclaim under such Material Contract or has exercised, or notified the Company or any Company Subsidiary in writing of any intent to exercise, any right to cancel, terminate or shorten the term of or otherwise modify any such Material Contract.

(c) “**Material Contract**” means any oral or written contract, agreement, indenture, note, bond, mortgage, loan, instrument, lease, license, arrangement, understanding, undertaking, obligation or commitment to which the Company or a Company Subsidiary is a party (i) that provides for payments to or performance by the Company or a Company Subsidiary in an amount equal to or in excess of \$50,000 per annum in the aggregate; (ii) the absence of which could have a Company Material Adverse Effect; (iii) with or for the benefit of any current or former officer or director, holder of any security, employee or consultant of the Company or a Company Subsidiary under which the Company or a Company Subsidiary has any obligations as of the date hereof and that is not terminable by the Company or such Company Subsidiary without cause or penalty upon notice of 30 days or less; (iv) that is a supplier, vendor or other contract that provides for payments by the Company or a Company Subsidiary in excess of \$50,000 per annum and that cannot be terminated by the Company or a Company Subsidiary after the Closing in accordance with its terms upon not more than 30 days’ notice without penalty or cost; (v) with any labor union or association representing any employee of the Company or a Company Subsidiary; (vi) that limits or restricts the ability of the Company or a Company Subsidiary to compete or otherwise to conduct its business; (vii) for the purchase of any materials, supplies, equipment, merchandise or services that contains an escalation clause or that obligates the Company or a Company Subsidiary to purchase all or substantially all of its requirements of a particular product or service from a supplier or to make periodic minimum purchases of a particular product or service from a supplier; (viii) that provides for the sale of any of the assets, properties or securities of the Company or a Company Subsidiary, other than in the ordinary course of business, or for the grant to any Person of any option, right of first refusal or preferential or similar right to purchase any such assets, properties or securities; (ix) evidencing Indebtedness; (x) that is a lease or similar contract with any Person under which (A) the Company or a Company Subsidiary is lessee of, or holds or uses, any machinery, equipment, vehicle or other tangible personal property owned by any Person or (B) the Company or a Company Subsidiary is a lessor or sublessor of, or makes available for use by any Person, any tangible personal property owned or leased by Company or a Company Subsidiary, in either case of (A) or (B) above, involving payments to or by the Company or a Company Subsidiary in excess of \$50,000 per annum in the aggregate; (xi) obligating the Company or a Company Subsidiary to deliver future products enhancements or containing a “most-favored nation” clause; (xii) relates to a joint venture, partnership or teaming agreement involving the Company or a Company Subsidiary pursuant to which the Company or a Company Subsidiary has ongoing service or payment obligations; (xiii) with customers or suppliers including provisions for rebates, credits, discounts or the sharing of fees (but excluding contracts containing such provisions relating only to (A) prompt payment of amounts due thereunder or (B) adjustments in the ordinary course of business to reflect good faith claims pursuant to service or warranty provisions); (xiv) relating to the acquisition by the Company or a Company Subsidiary of any operating business or the capital stock or other equity interests of any other Person; (xv) relating to the grant of any rights, title or interest in, under or to any material Business Intellectual Property; (xvi) that requires the payment of any royalty or similar sales-based or earnings-based payment; or (xvii) that is otherwise material to the Company or any Company Subsidiary.

2.17 Customers and Suppliers. Section 2.17 of the Company Disclosure Schedule lists the current customers and suppliers of the Company (on a consolidated basis) that

were the 10 largest customers of the Company and the 10 largest suppliers to the Company (on a consolidated basis) in terms of dollar volume of sold or purchased products or services since January 1, 2012, together with the dollar volume of sales or purchases (as applicable). Since January 1, 2012, neither the Company nor any Company Subsidiary has received any written notice from any customer or supplier listed in Section 2.17 of the Company Disclosure Schedule to the effect that any such customer or supplier will or may stop, materially decrease the rate of, or materially change the terms (whether related to payment, price or otherwise) with respect to, purchasing or selling products or services from or to the Company or any Company Subsidiary (whether as a result of the consummation of the transactions contemplated hereby or otherwise). Neither the Company nor any Company Subsidiary has received notice or otherwise has any Knowledge that any customer or customers that, individually or in the aggregate, account for more than 2% of the consolidated revenue of the Company in each of the last two fiscal years has plans or has threatened to stop or materially decrease the rate of business done with the Company or any Company Subsidiary. Neither the Company nor any Company Subsidiary has received notice or otherwise has any Knowledge that any supplier or suppliers that, individually or in the aggregate, account for more than 2% of the dollar amount of payments made by the Company on a consolidated basis in each of the last two fiscal years has plans or has threatened to stop or materially decrease the rate of business done with the Company or any Company Subsidiary. For the avoidance of doubt, nothing in this Section 2.17 is intended to be a projection or guarantee by the Company or any Company Subsidiary with respect to its future relationship with any customer or supplier.

2.18 Regulatory Compliance. The material products of the Company and the Company Subsidiaries are not required to be cleared, authorized or approved by, registered with or subject to a notification to the Food and Drug Administration (the “FDA”) or any other Governmental Authority prior to their manufacture, distribution, sale and marketing. The Company has no Knowledge of any actual or threatened in writing enforcement action or investigation by the FDA or any other Governmental Authority with respect to the Company or any Company Subsidiary, and the Company has no Knowledge that the FDA or any other Governmental Authority is considering any such action. Neither the Company nor any Company Subsidiary has received any written notice that the FDA or any other Governmental Authority has commenced, or threatened in writing to initiate, any action to enjoin manufacture or distribution of any product of the Company or any Company Subsidiary. All animal care and handling being funded or conducted by, at the request of or on behalf of the Company or any Company Subsidiary is being conducted in material compliance with experimental protocols, procedures and controls, accepted professional scientific standards and applicable Legal Requirements.

2.19 Employees and Consultants.

(a) Set forth in Section 2.19(a) of the Company Disclosure Schedule is a list, as of the date of this Agreement, containing (i) the names of all current employees (including full-time, part-time, temporary and all other employees), current independent contractors and current consultants of the Company and the Company Subsidiaries, (ii) their current respective base salaries, wages or other compensation, fringe benefits, target incentive and/or bonus compensation and title, (iii) their respective FLSA designations, and (iv) their work location (identified by street address). Except as provided in Section 2.19(a) of the Company Disclosure Schedule, (i) all employees are employed on an “at-will” basis and their employment can be

terminated at any time for any reason without any amounts being owed to such individual other than as required under such employee's employment agreement with the Company or a Company Subsidiary or applicable Legal Requirements, and (ii) the Company's and the Company Subsidiaries' relationships with all Persons who act as contractors or other service providers to the Company or a Company Subsidiary can be terminated at any time for any reason without any amounts being owed to such individual other than with respect to compensation or payments accrued before the termination. Set forth on Section 2.19(a) of the Company Disclosure Schedule is a true and accurate list of all employees of the Company and the Company Subsidiaries whose employment has terminated either voluntarily or involuntarily in the two-year period preceding the date hereof. Except as set forth on Section 2.19(a) of the Company Disclosure Schedule, no claims have been made or threatened in writing against the Company or a Company Subsidiary by any former or present employee based on employment discrimination, wrongful discharge, or any other circumstance relating to, arising from or in connection with the employment relationship with the Company or a Company Subsidiary.

(b) Each Company Employee employed in the United States is (i) a United States citizen, (ii) a lawful permanent resident of the United States, or (iii) an alien authorized to work in the United States either specifically for the Company or a Company Subsidiary or for any United States employer. The Company and the Company Subsidiaries are in compliance in all material respects with applicable Legal Requirements in the United States with respect to work status, have completed a Form I-9 (Employment Eligibility Verification) for each Company Employee, and each such Form I-9 has been updated as required by applicable Legal Requirements and is correct and complete as of the date hereof. With respect to each Company Employee, an authorized official of the Company or a Company Subsidiary has reviewed the original documents relating to the identity, employment eligibility and authorization of such Employee to be employed in the United States in compliance with applicable Legal Requirements and such documents appeared, to such official, to be genuine on their face. Each Company Employee not employed in the United States is authorized to work in the applicable jurisdiction either specifically for the Company or a Company Subsidiary or for any employer in such jurisdiction, and the Company and the Company Subsidiaries are in compliance with applicable Legal Requirements in such jurisdictions with respect to work status.

(c) The Company and the Company Subsidiaries have, or will have no later than the Closing Date, paid all accrued salaries, bonuses, commissions, wages, severance and accrued vacation pay of the Company Employees and any other amounts due to be paid to the Company Employees through the Closing Date, except to the extent any such amounts are taken into account in the final determination of the Final Adjustment Amount. The Company and the Company Subsidiaries are in compliance in all material respects with all Legal Requirements governing employment and labor, including all contractual commitments and all such Legal Requirements relating to wages, hours, affirmative action, collective bargaining, discrimination, civil rights, safety and health, workers' compensation and the collection and payment of withholding and/or Social Security Taxes and similar Taxes, including the Age Discrimination in Employment Act, as amended, Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974, as amended, the Fair Labor Standards Act (29 U.S.C. 201, et seq.), as amended ("FLSA"), the Americans with Disabilities Act, as amended, the Sarbanes-Oxley Act of 2002, the Worker Adjustment and Retraining Notification Act of 1988, as amended ("WARN"), the Occupational Safety and Health

Act, as amended, the Family and Medical Leave Act (29 U.S.C. 2601, et seq.), as amended, the National Labor Relations Act of 1935, as amended, Executive Order 11246 and any other Executive Orders or regulations governing affirmative action, EEO-1, VETS-100 and 100A reporting obligations, the Immigration Nationality Act (8 U.S.C. 1324a, et seq.), as amended, and all similar applicable Legal Requirements (collectively, the “Labor Laws”). The Company and the Company Subsidiaries have, during the five year period prior to the date hereof, conducted their businesses in compliance with all applicable Labor Laws in all material respects. The Company and the Company Subsidiaries have withheld all amounts required by Legal Requirement or contract to be withheld from the wages or salaries of their employees and are not liable for the payment of any arrears of wages or other Taxes, penalties, fines or other compensation of any kind, however designated, for failure to comply with any of the foregoing. The Company and the Company Subsidiaries have maintained adequate and legally-compliant records regarding the service of each Company Employee, including records of working time. The Company and the Company Subsidiaries have properly classified their employees pursuant to the FLSA. Neither the Company nor any Company Subsidiary is, and in the last three years has not been, a federal, state, local or foreign government contractor.

(d) Section 2.19(c) of the Company Disclosure Schedule contains a true and complete list of any and all employment, change in control, severance, retention, termination, non-competition, non-solicitation, confidentiality, assignment of inventions and other similar employment contracts, arrangements or policies, whether written or oral, between the Company or a Company Subsidiary, on the one hand, and any individual, on the other hand (other than at-will employment arrangements, but including all contracts, arrangements or policies that affect at-will Company Employees).

(e) There has been no “mass layoff” or “plant closing” (as defined by WARN and/or other applicable Legal Requirements) with respect to the Company or any Company Subsidiary within the six months prior to the date of this Agreement. As of the date of this Agreement, no employee has given notice to the Company or a Company Subsidiary that such employee intends to terminate his or her employment with the Company or such Company Subsidiary. There are no material proceedings pending or, to the Knowledge of the Company, threatened in writing against the Company or any Company Subsidiary by any current or former employees.

(f) Neither the Company nor any Company Subsidiary is a party to any collective bargaining agreement or other labor union contract and there are no labor or collective bargaining agreements to which the Company or any Company Subsidiary and the current employees of the Company and the Company Subsidiaries are subject or to which the Company or a Company Subsidiary has been subject with respect to any former employee of the Company or a Company Subsidiary, when such former employee was employed by the Company or a Company Subsidiary, nor does the Company have Knowledge of any activities or proceedings of any labor union or similar organization to organize the employees of the Company or any Company Subsidiary as of the date of this Agreement.

(g) There are no (i) strikes, work stoppages, slowdowns, lockouts or arbitrations; or (ii) material grievances or other labor disputes pending or, to the Knowledge of the Company, threatened in writing against the Company or any Company Subsidiary. There are no

unfair labor practice charges, grievances or complaints pending or, to the Knowledge of the Company, threatened in writing against the Company or any Company Subsidiary by or on behalf of any current or former employee or group of employees of the Company or any Company Subsidiary.

(h) There are no complaints, charges or claims against the Company or any Company Subsidiary pending or, to the Knowledge of the Company, threatened in writing that could be brought or filed, with any Governmental Authority based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment of or failure to employ, any individual.

2.20 Title to Property. Except as set forth on Section 2.20 of the Company Disclosure Schedule, the Company or a Company Subsidiary has good and valid title to, or a valid and binding exclusive leasehold interest in, all of the tangible properties and assets reflected in the Company Balance Sheet or acquired after the Company Balance Sheet Date (except properties sold or otherwise disposed of since the Company Balance Sheet Date in the ordinary course of business), free and clear of all Encumbrances of any kind or character, except for the following (collectively, "Permitted Encumbrances"): (a) liens for current Taxes not yet delinquent or that are being contested in good faith by appropriate proceedings, provided, however, that with respect to such contested amounts, an appropriate reserve has been established therefor in the Company Financial Statements in accordance with GAAP; (b) statutory or common law Encumbrances arising in the ordinary course of business that are not material to the businesses of the Company and the Company Subsidiaries to secure obligations to landlords, lessors or renters under leases or rental agreements; (c) statutory or common law liens arising in the ordinary course of business that are not material to the businesses of the Company and the Company Subsidiaries in favor of carriers, warehousemen, mechanics and materialmen, to secure claims for labor, materials or supplies that are not yet delinquent or contested. The property and assets of the Company and Company Subsidiaries that are used in the operations of their businesses are in good operating condition and in a state of good maintenance and repair (ordinary wear and tear excepted), except for renewal or replacement in the ordinary course of business.

2.21 Real Estate.

(a) Owned Real Property. Neither the Company nor any Company Subsidiary owns any real property.

(b) Leased Real Property.

(i) Section 2.21(b)(i) of the Company Disclosure Schedule lists all Leased Real Property. All leases and subleases for Leased Real Property (each, a "Lease" and, collectively, the "Leases") to which the Company or a Company Subsidiary is a party are listed on Section 2.21(b)(i) of the Company Disclosure Schedule, are in full force and effect and are valid, binding and enforceable against the Company or a Company Subsidiary and against the lessors thereof, except as such enforceability could be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to creditors' rights generally and general principles of equity, regardless of whether asserted in a proceeding in equity or at law, if any such proceeding were to be brought in the future. The Leases constitute all interests in real property currently used, occupied or held for use by the Company and the Company Subsidiaries. True and correct copies of the Leases, as amended or modified through the date hereof, have been posted in the Data Room.

(ii) All rent and other sums and charges payable by the Company or a Company Subsidiary under the Leases are current. No termination event or condition or uncured default on the part of the Company and each Subsidiary or, to the Knowledge of the Company, any lessor exists under any Lease. The Company or a Company Subsidiary has a valid, binding and enforceable leasehold interest in each parcel of real property leased by it free and clear of all Encumbrances, except (i) those reflected or reserved against in the Company Balance Sheet and (ii) Taxes and general and special assessments not in default and payable without penalty and interest.

(iii) Except as set forth in Section 2.21(b)(iii) of the Company Disclosure Schedule, neither the terms of the Agreement nor anything provided to be done hereunder will violate the terms of any Lease or require the consent of any lessor.

(c) To the Knowledge of the Company, (i) no part of any improvement on the Leased Real Property located in Littleton, CO (the “Colorado Leased Real Property”) encroaches on any real property not included in the Colorado Leased Real Property, and (ii) there are no buildings, fixtures or other improvements primarily situated on adjoining property that encroach on any part of the Colorado Leased Real Property. There is no existing or, to the Knowledge of the Company, proposed plan to modify or realign any street or highway or any existing, proposed or, to the Knowledge of the Company, threatened eminent domain or other proceeding that would result in the taking of all or any part of the Colorado Leased Real Property or that would prevent or hinder the continued use of the Colorado Leased Real Property as heretofore used in the conduct of the businesses of the Company and the Company Subsidiaries. The Colorado Leased Real Property, collectively, is sufficient and adequate for the business use of the Company and each Company Subsidiary.

(d) All of the Leased Real Property and the buildings, fixtures, and improvements thereon are in good operating condition without structural defects (ordinary wear and tear excepted), all mechanical and other systems located thereon are in good operating condition and no condition exists requiring material repairs, alterations or corrections. To the Knowledge of the Company, none of the improvements located on the Leased Real Property constitute a legal non-conforming use or otherwise requires any special dispensation, variance or special Permit under any laws. To the Knowledge of the Company, the current use and occupancy of the Leased Real Property and the improvements located thereon are not in violation of any recorded or unrecorded covenants, conditions, restrictions, reservations, easements, agreements or other contracts affecting such property, and neither the Company nor any Company Subsidiary has received any written notice related thereto.

2.22 Environmental Matters.

(a) The Company and the Company Subsidiaries are, and have at all times been, in compliance with all Environmental Laws relating to the business, the Leased Real Property, and the properties or facilities used, leased, owned or occupied by the Company and the

Company Subsidiaries, which compliance includes obtaining, maintaining and complying with all Permits required under Environmental Laws (the “Environmental Permits”), except where failure to be in compliance could not be reasonably expected to be material to the Company or the Company Subsidiaries.

(b) To the Knowledge of the Company, no facts, circumstances or conditions exist with respect to the Company or any Company Subsidiary or any property currently or formerly owned, operated or leased by the Company or any Company Subsidiary, or any property to which the Company or a Company Subsidiary or any of their predecessors arranged for the disposal or treatment of Hazardous Materials that could reasonably be expected to give rise to liability of the Company or a Company Subsidiary under Environmental Laws. As of the date hereof, no civil, criminal or administrative action, proceeding or, to the Knowledge of the Company, investigation is pending against the Company or any Company Subsidiary, or, to the Knowledge of the Company, is being threatened in writing against the Company or any Company Subsidiary, with respect to Hazardous Materials or Environmental Laws.

(c) No proceeding is pending, or to the Knowledge of the Company, threatened in writing against the Company or any Company Subsidiary or any property currently or formerly owned, operated or leased by the Company or any Company Subsidiary, relating to any Environmental Law or Environmental Permit.

(d) The transactions contemplated by this Agreement do not require the consent of or filings with any Governmental Authority with jurisdiction over the Company or any Company Subsidiary with respect to environmental matters.

(e) The Data Room contains true, correct and complete copies of all Environmental Permits and all environmental audits, studies, reports, analyses, and results of investigations that have been commissioned or obtained by the Company or the Company Subsidiaries with respect to the currently or previously owned, operated or leased properties of the Company and the Company Subsidiaries or any of its predecessors and any material documents related to unresolved, threatened, material legal proceedings or material environmental costs and liabilities.

2.23 Taxes. Except as set forth in Section 2.23 of the Company Disclosure Schedule:

(a) The Company and the Company Subsidiaries have filed all income Tax Returns and all other material Tax Returns (other than sales and use Tax Returns) that they were required to file (taking into account all applicable extensions to file any such Tax Return) and paid all Taxes shown on such filed Tax Returns as owing (except to the extent such amounts are being contested in good faith by Company or a Company Subsidiary and are properly reserved for on the books or records of the Company or a Company Subsidiary). All Taxes (other than sales and use Taxes) of the Company and the Company Subsidiaries due on or before the date hereof (taking into account applicable extensions) by or on behalf of the Company or a Company Subsidiary have been timely paid, or to the extent such Taxes are not due and payable on or before the date hereof, have been properly accrued on the most current Company Financial Statement and the Closing Date Balance Sheet. The Company and the Company Subsidiaries have complied with

all applicable requirements relating to the payment and withholding of Taxes (other than sales and use Taxes) and have duly and timely withheld and paid over to the appropriate Governmental Authority all amounts required to be so withheld and paid. The Company has made available to Purchaser accurate and complete copies of all U.S. federal income and all other material Tax Returns filed by the Company and the Company Subsidiaries during the four preceding calendar years. The Company has adequately reserved in the Company Balance Sheet for current, deferred and potential or contingent Tax liabilities (other than liabilities relating sales and use Taxes) that will accrue through the Closing Date determined as if the taxable year and all taxable periods of the Company and the Company Subsidiaries end on the Closing Date.

(b) Neither the Company nor any Company Subsidiary has received from any Governmental Authority any written notice regarding any contemplated or pending audit, examination or other administrative or court proceeding involving Taxes imposed thereon.

(c) No extension of time with respect to any date on which a Tax Return was required to be filed by the Company or a Company Subsidiary that extends such date beyond the date hereof is in force, and no waiver or agreement by the Company or any Company Subsidiary is in force for the extension of time for the payment, collection or assessment of any Taxes beyond the date hereof (other than in connection with extensions of time for filing Tax Returns that are set forth in Section 2.23(c) of the Company Disclosure Schedule).

(d) Neither the Company nor any Company Subsidiary has received from any Governmental Authority in a jurisdiction where the Company or a Company Subsidiary has not filed any Tax Return any written claim that the Company or a Company Subsidiary is subject to taxation by that jurisdiction. Neither the Company nor any Company Subsidiary has been notified in writing by any Governmental Authority regarding any proposed, asserted or assessed deficiency for any Tax imposed on the Company or a Company Subsidiary that was not settled or paid.

(e) There are no Encumbrances for Taxes on any asset of the Company or any Company Subsidiary other than Encumbrances for Taxes not yet delinquent or that are being contested in good faith by appropriate proceedings and are properly reserved for on the books or records of the Company or that are otherwise not material.

(f) Neither the Company nor any Company Subsidiary is a party to any agreement with any third party relating to allocating or sharing the payment of, or liability for, Taxes (other than an agreement, such as a lease, the principal purpose of which is not the sharing or allocation of Taxes). Neither the Company nor any Company Subsidiary has any liability for the Taxes of any third party under Treasury Regulation § 1.1502-6 or as a transferee or successor.

(g) Neither the Company nor any Company Subsidiary has distributed equity interests of another Person, or had its equity interests distributed by another Person, (i) in a transaction that was purported or intended to be governed in whole or in part by Section 355 or Section 361 of the Code, or (ii) in a distribution that could otherwise constitute part of a “plan” or “series of transactions” (within the meaning of Section 355(e) of the Code) in conjunction with the transactions contemplated by this Agreement.

(h) Neither the Company nor any Company Subsidiary will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (i) change in method of accounting for any taxable period ending on or prior to the Closing Date; (ii) “closing agreement” as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign income Tax law) executed on or prior to the Closing Date; (iii) intercompany transactions that occurred on or prior to the Closing Date; (iv) installment sale or open transaction disposition made on or prior to the Closing Date; (v) prepaid amount received or deferred revenue accrued on or prior to the Closing Date outside the ordinary course of business; or (vi) any other amount of income economically accruing on or prior to the Closing Date.

(i) Neither the Company nor any Company Subsidiary has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code at any time during the five-year period ending on the Closing Date.

(j) Section 2.23(j) of the Company Disclosure Schedule sets forth all jurisdictions in which the Company and each Company Subsidiary is subject to Tax, is engaged in business or has a permanent establishment.

(k) The Company has not participated in any listed transaction within the meaning of Treasury Regulations Section 1.6011-4(b)(1) and 1.6011-4(c)(3) and has complied with the disclosure requirements of Section 6011 of the Code and the Treasury Regulations promulgated thereunder.

(l) The Company has not made any payments, is not obligated to make any payments, or is a party to any agreement that under certain circumstances could obligate it to make any payments that are not deductible as a consequence of the application of Section 280G of the Code.

(m) The Company and the Company Subsidiaries have filed all sales and use Tax Returns that they were required to file (taking into account all applicable extensions to file any such Tax Return) and have paid all sales and use Taxes collected from customers and shown on such filed sales and use Tax Returns as owing (except to the extent such amounts are being contested in good faith by Company or a Company Subsidiary and are properly reserved for on the books or records of the Company or a Company Subsidiary). All sales and use Taxes that the Company or the Company Subsidiaries have been obligated to pay with respect to purchases by the Company or the Company Subsidiaries on their purchases occurring on or before the date hereof have been timely and properly paid, or to the extent such sales and use Taxes are not due and payable on or before the date hereof, have been properly accrued on the Company Financial Statements and the Closing Date Balance Sheet. Notwithstanding anything else in this Agreement to the contrary, the provisions of this Section 2.23(m) shall be the only representations and warranties by the Company relating to sales and use Taxes.

(n) The Company has not made an election under U.S. Treasury Regulations Section 301.7701-3(c) to be taxed as a corporation for federal income tax purposes and has been classified as a partnership for federal income tax purposes since its formation. Each Company Subsidiary other than Novus Biologicals, LLC and Imgenex is a single member limited

liability that (i) in the case of a Company Subsidiary organized in the United States, has not made an election under U.S. Treasury Regulations Section 301.7701-3(c) to be taxed as a corporation and (ii) in the case of a Company Subsidiary organized outside of the United States, has in effect an election to be treated as a disregarded entity for federal income tax purposes, in each case, for all periods beginning with the formation of such Company Subsidiary by the Company, or if applicable, since the acquisition of the Company Subsidiary by the Company. Novus Biologicals, LLC is a multiple member limited liability company that has not made an election under U.S. Treasury Regulations Section 301.7701-3(c) to be taxed as a corporation for federal income tax purposes and has been classified as a partnership for federal income tax purposes since January 1, 2014.

2.24 Employee Benefit Plans.

(a) Section 2.24(a) of the Company Disclosure Schedule sets forth, as of the date of this Agreement, a complete and accurate list of each material “employee benefit plan,” as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and all other bonus, pension, profit sharing, retirement, deferred compensation, incentive compensation, equity or equity-based compensation, severance, retention, change in control, disability, vacation, death benefit, hospitalization or other medical plan, but excluding regular wages and salary, which is currently in effect and sponsored, maintained, contributed to, or required to be contributed to by the Company or a Company Subsidiary (collectively, the “Company Employee Plans”).

(b) The Company has delivered to Purchaser or its Representatives (or made available for review by Purchaser or its Representatives) true and complete copies to the extent currently effective of each of the Company Employee Plans and related plan documents, including trust documents, group annuity contracts, plan amendments, insurance policies or contracts, material participant agreements, employee booklets, administrative service agreements, summary plan descriptions, and compliance and nondiscrimination tests for the last three plan years. With respect to each Company Employee Plan that is subject to ERISA reporting requirements, the Company has made available for review by Purchaser or its advisors copies of the Form 5500 reports filed for the last three plan years. For each Company Employee Plan that is intended to be qualified under Section 401(a) of the Code, the Company has made available for review by Purchaser or its advisors the most recent determination or opinion letter from the Internal Revenue Service.

(c) Each Company Employee Plan is being, and has been, administered substantially in accordance with its terms and in material compliance with the requirements prescribed by any and all statutes, rules and regulations (including ERISA and the Code). Neither the Company nor any Company Subsidiary is in material default under or material violation of, and, to the Knowledge of the Company, there has not been any material default or material violation by any other party to, any of the Company Employee Plans. There has been no “prohibited transaction,” as such term is defined in Section 4975 of the Code or Section 406 of ERISA, that could subject any Company Employee Plan or associated trust, or the Company or a Company Subsidiary, to any material tax or penalty. Any Company Employee Plan intended to be qualified under Section 401(a) of the Code has either obtained from the Internal Revenue Service a favorable determination letter as to its qualified status under the Code or can rely on a favorable opinion letter from the Internal Revenue Service. Neither the Company nor any Company Subsidiary has any material liability under ERISA or the Code as a result of its being a member of a group described in Sections 414(b), (c), (m) or (o) of the Code.

(d) Neither the Company nor any Company Subsidiary has, at any time, established, maintained, participated in or contributed to, nor does it have any current liability with respect to, any “defined benefit plan” (as defined in Section (3)(35) of ERISA), any “multi-employer plan” (as defined in Section 3(37) of ERISA), any “multiple employer welfare arrangement (as defined in Section 3(40) of ERISA), any “multiple employer plan” (as defined in Section 413(c) of the Code), an “employee benefit pension plan” (as defined in Section 3(2) of ERISA) that is subject to Part 3 of Subtitle B of Title I or Title IV of ERISA or Section 412 of the Code, or a “welfare benefit trust” or “voluntary employees beneficiary association” within the meaning of Sections 419, 419A or 501(a)(9) of the Code.

(e) There are no pending or, to the Knowledge of the Company, threatened in writing claims by or on behalf of any Company Employee Plan, any employee or beneficiary covered under any Company Employee Plan, any Governmental Authority, or otherwise involving any Company Employee Plan (other than routine claims for benefits).

(f) All contributions, payments, premiums, expenses and reimbursements for all periods ending prior to or as of the Closing Date for each Company Employee Plan will have been timely made or, if not yet required to be made, will have been properly accrued on the Financial Statements. No Company Employee Plan has any unfunded liability that is not reflected on the Financial Statements.

(g) No Company Employee Plan obligates the Company or any Company Subsidiary to provide medical, surgical, hospitalization, life, death or other welfare benefits (whether or not insured) for employees or former employees or directors of the Company or any Company Subsidiary for periods extending beyond their retirement or other termination of service, other than (i) coverage mandated by applicable law, including Section 601 et. seq. of ERISA or Section 4980B of the Code, or (ii) death benefits under any “employee pension plan” as defined under Section 3(2) of ERISA.

(h) With respect to each Company Employee Plan that is a “nonqualified deferred compensation plan” within the meaning of Section 409A(d)(1) of the Code and is subject to Section 409A of the Code, (i) the written terms of such Company Employee Plan has at all times since January 1, 2005, been in material compliance with, and (ii) such Company Employee Plan has, at all times while subject to Section 409A of the Code, been operated in compliance with, Section 409A of the Code. Neither the Company nor any Company Subsidiary has any obligation under or with respect to any Company Employee Plan to reimburse any employee for any income or excise tax that may be assessed under Section 409A of the Code.

(i) Except as provided in Section 2.24(i) of the Company Disclosure Schedule or as provided in this Agreement, the consummation of the Closing, either alone or in combination with any other event, will not (i) entitle any current or former employee or other service provider of the Company or Company Subsidiary to severance benefits or any other compensatory payment (including golden parachute, bonus or benefits under any Company

Employee Plan); or (ii) accelerate the time of payment or vesting of any such benefits or increase the amount of compensation due to any such employee or service provider. No condition other than applicable Legal Requirements exists that would prevent the Company or a Company Subsidiary from amending or terminating any Company Employee Plan without liability to the Company or a Company Subsidiary (other than for benefits accrued at the time of termination).

(j) With respect to any Company Employee Plan maintained under non-U.S. Legal Requirements (collectively, the “Foreign Benefit Plans”), the Company, the Company Subsidiaries, and any trustees of the Foreign Benefit Plans, have at all times complied in all material respects with all Legal Requirements applying to such Foreign Benefit Plans. No claims, disputes, investigations or complaints (including complaints under any internal dispute resolution procedure or complaints and submissions or referrals to any ombudsman, regulator or similar service) are pending or, to the Knowledge of the Company, threatened in writing, in relation to any Foreign Benefit Plan, and to the Knowledge of the Company, there is no fact or circumstance likely to give rise to any such claim, dispute, investigation or complaint.

(k) Notwithstanding anything to the contrary contained in this Agreement, the representations and warranties in this Section 2.24 shall be the Company’s sole representations and warranties with respect to matters relating to Company Employee Plans.

2.25 Insurance. Section 2.25 of the Company Disclosure Schedule sets forth, as of the date of this Agreement, a complete and accurate list of all policies of liability, general liability, errors and omissions and other similar forms of insurance that are held and maintained by the Company and the Company Subsidiaries (other than any insurance policies that are also Company Employee Plans), which list includes for each policy the type of policy, form of coverage, policy number, name of insurer, period (term), limits, deductibles premiums, and all claims made under such policy since January 1, 2010. As of the date of this Agreement, there is no claim pending under any of the insurance policies of the Company and the Company Subsidiaries as to which coverage has been questioned, denied or disputed by the underwriters of such policies, and such policies are in full force and effect. The Company and the Company Subsidiaries are in compliance in all material respects with the terms of such policies. As of the date of this Agreement, there has been no written notice of the termination of, or material premium increase with respect to, any of such policies.

2.26 Foreign Corrupt Practices Act; No Anti-Bribery Law Violations .

(a) Neither the Company, any Company Subsidiary nor any Company Employee (nor any of its officers, directors, employees, representatives, agents, consultants, or distributors) has, directly or indirectly: (i) used or is using any funds for any illegal contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) used or is using any funds for any direct or indirect unlawful payment to any foreign or domestic Government Official or employee; (iii) violated or is violating any provision of, or any rule or regulation issued under, (A) the U.S. Foreign Corrupt Practices Act of 1977, 15 U.S.C. §§ 78dd-1, et seq., (B) the U.S. Travel Act, 18 U.S.C. § 1952, (C) any applicable Legal Requirement enacted in any applicable jurisdiction in connection with, or arising under, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or (D) any other law, rule, regulation, or other legally binding measure of any foreign or domestic jurisdiction of similar

effect or that relates to bribery or corruption (collectively, “Anti-Bribery Laws”); (iv) established or maintained, or is maintaining, any unlawful fund of corporate monies or other properties; (v) made, offered to make, promised to make, ratified or authorized the payment or giving, directly or indirectly, of any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment, gift or anything of value to a foreign or domestic Government Official or employee to secure or attempt to secure any improper business advantage (within the meaning of such term under any applicable Anti-Bribery Law) or to obtain or retain business; or (vi) otherwise taken any action that has caused, or would reasonably be expected to cause the Company or any Company Subsidiaries to be in violation of any applicable Anti-Bribery Law.

(b) There is no legal proceeding (i) excluding any sealed legal proceeding, pending or received, (ii) in the case of a sealed legal proceeding, to the Knowledge of the Company, pending or received, or (iii) in the case of any legal proceeding, to the Knowledge of the Company, threatened in writing, in each case against the Company or a Company Subsidiary, that could reasonably be expected to result in any liability on the part of the Company or a Company Subsidiary under any Anti-Bribery Laws to which it is subject. Neither the Company nor any Company Subsidiary nor any of their respective directors, officers, executives, employees, agents, distributors, consultants or other representatives) is party to or otherwise subject to the terms of any corporate integrity agreement, non-prosecution agreement, deferred prosecution agreement or any other arrangement similar to any of the foregoing arising from or otherwise relating to any such legal proceeding.

2.27 Warranties. All products manufactured or sold, and all services provided by the Company and the Company Subsidiaries have complied, and are in compliance, with all contractual requirements, warranties or covenants, express or implied, applicable thereto, and with all applicable governmental or regulatory specifications therefor or applicable thereto. Section 2.27 of the Company Disclosure Schedule sets forth the terms of the product and service warranties and product return, discount, demo sales and credit policies of the Company and the Company Subsidiaries.

2.28 Product Liability Claims. There are no defects in design, specifications, processing, manufacture, material or workmanship in the products that have been sold, manufactured or distributed by the Company and the Company Subsidiaries, nor is there any uninsured or insured Product Liability with respect to the Company or any Company Subsidiary. Neither the Company nor any Company Subsidiary has received a claim based upon alleged Product Liability, and there is no basis for any such claim. Neither the Company nor any Company Subsidiary has any liabilities or obligations with respect to any Product Liability that has been asserted, or for any product recalls that have been instituted, are planned or are contemplated and that are related to products manufactured, distributed or sold by the Company and the Company Subsidiaries.

2.29 OFAC / Export Control Provisions. Neither the Company nor any Company Subsidiary nor any of their respective officers or directors, is: (a) a person or entity that appears on the Specially Designated Nationals and Blocked Persons List (the SDN List) maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”); or (b) a person, country or entity with whom a U.S. person (as defined by the laws and regulations administered by OFAC, 31 C.F.R. Parts 500-598 (the “OFAC Regulations”)) or a

person subject to the jurisdiction of the United States (as defined by the OFAC Regulations) is otherwise prohibited from dealing under the OFAC Regulations (a “Sanctions Target”). Neither the Company nor any Company Subsidiary is, directly or indirectly, owned or controlled by, or under common control with, or, to the Knowledge of the Company, acting for the benefit of or on behalf of any Sanctions Target. The Company and the Company Subsidiaries have at all times complied, and are in compliance, in all material respects, with all national and international laws, statutes, orders, rules, regulations and requirements promulgated by any governmental or other authorities with regard to the exportation of goods, commodities, technology or software, and have held, and currently hold, all necessary licenses with respect to the foregoing. Specifically, but without limitation of the foregoing, neither the Company nor any Company Subsidiary has exported or re-exported any goods, commodities, technology or software in any manner that violates any applicable national or international export control statute, executive order, regulation, rule or sanction, including the OFAC Regulations, the United States Export Administration Regulations, 15 C.F.R. Parts 730-774, the International Traffic in Arms Regulations, 22 C.F.R. Part 120 et seq., the Export Administration Act, the International Emergency Economic Powers Act, the Trading with the Enemy Act, the Iran Sanctions Act, the Comprehensive Iran Sanctions, Accountability, and Divestment Act, the Trade Sanctions Reform and Export Enhancement Act of 2000 (TSRA), and any OFAC Sanctions Program.

2.30 Compliance With Laws. The Company, the Company Subsidiaries and their respective businesses are, and have been since January 1, 2010, in compliance in all material respects with, and have not received any written or oral notices of any violation with respect to, applicable Legal Requirements. Except as set forth in Section 2.30 of the Company Disclosure Schedule, to the Knowledge of the Company, neither the Company nor any Company Subsidiary is, and at no time between January 1, 2010 and the date hereof, has been, under investigation with respect to the violation of any Legal Requirements since January 1, 2010, neither the Company nor any Company Subsidiary has made any voluntary disclosures to any Person of violations or potential violations by the Company or any Company Subsidiary of any Legal Requirements.

2.31 Brokers’ and Finders’ Fee. Except as set forth on Section 2.31 of the Company Disclosure Schedule, no act of the Company, any Company Subsidiary or any Member has given or will give rise to any claim against any of the parties hereto for a brokerage commission, finder’s fee, financial advisory fee, investment banking fee or other like payment in connection with the transactions contemplated herein.

2.32 Powers of Attorney. There are no powers of attorney executed by or on behalf of the Company or any Company Subsidiary and there is no other authority (express or implied) outstanding by which any person may enter into any contract or commitment on behalf of the Company or any Company Subsidiary.

2.33 Books and Records. The board resolutions, written consents and equity records of the Company and each Company Subsidiary provided to the Purchaser (the “Board and Equity Documents”) are complete and correct and have been maintained in accordance with sound business practices. At the Closing, all of the Board and Equity Documents will be in the possession of the Company and the Company Subsidiaries.

2.34 Bank Accounts; Safe Deposit Boxes. Section 2.34 of the Company Disclosure Schedule sets forth a true, correct and complete list of each account with any bank, trust company, securities broker or other financial institution with which the Company or any Company Subsidiary has any account, and all safe deposit boxes maintained by the Company and each Company Subsidiary, the identifying numbers or symbols thereof, and the name of each Person authorized to draw thereon or to have access thereto.

2.35 Disclosures. No representation or warranty by the Company or any Member contained in this Agreement, and no statement contained in the Disclosure Schedules contains any untrue statement of a material fact.

3. REPRESENTATIONS AND WARRANTIES REGARDING MEMBERS. Each Member hereby represents and warrants to Purchaser that the following statements are true and correct as of the date hereof. Except for the representations and warranties expressly set forth in this Article 3, no Member makes any other representation or warranty (either express or implied).

3.1 Ownership of Units. Such Member is the sole record and beneficial owner of the Units set forth beside his, her or its name on Schedule 1 attached hereto, free and clear of any Encumbrance, and has no other rights to any Units. The Units held by such Member are not subject to any rights of first refusal of any kind applicable to the transactions contemplated by this Agreement that have not been waived or otherwise complied with. Such Member has good and valid title to, and has the sole right to vote, and transfer under the terms of this Agreement, the Units held by such Member.

3.2 Authority. Such Member has all requisite power and authority to enter into this Agreement and all documents contemplated hereby to which such Member is a party or signatory, to consummate the Closing and the other transactions contemplated hereby and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and all documents contemplated hereby to which such Member is a party or signatory and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of such Member that is an entity, and no further action is required on the part of such Member to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by such Member and constitutes the valid and binding obligations of such Member, enforceable against such Member in accordance with its terms, except as such enforceability may be subject to the laws of general application relating to bankruptcy, insolvency, reorganization, moratorium and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies.

3.3 No Conflict. The execution and delivery of this Agreement by such Member does not constitute, and the consummation of the transactions contemplated hereby will not (with or without notice or lapse of time, or both) conflict with, or result in any violation of, or a default under, or give rise to a conflict under (a) any provision of the Organizational Documents of such Member, as amended to date, that is an entity, (b) any permit, certificate, note, license, agreement, contract, indenture or other instrument or obligation to which such Member is a party or by which such Member or any of its properties or assets is bound, or (c) any Legal Requirement applicable to such Member.

3.4 Tax and Legal Matters. Such Member has had an opportunity to review with its own Tax advisors and legal advisors the Tax and legal consequences to such Member of the transactions contemplated in this Agreement, including the sale or termination of the Units held by such Member. Other than the representations and warranties made by Purchaser in this Agreement, such Member is not relying on any statements or representations by Purchaser or any of its agents. Such Member understands that he, she or it will bear his, her or its own Tax liability that may arise as a result of the transactions contemplated by this Agreement; provided, however, that nothing in this Section 3.4 is intended to modify the Tax representations, warranties, covenants and indemnities contained elsewhere in this Agreement.

3.5 Brokers. Such Member has not incurred, nor will such Member incur, directly or indirectly, any liability for investment banking fees or for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement or any transaction contemplated hereby.

3.6 Access to Books and Records. Such Member has had such access to the Company's books and records and to the Company's management as desired by such Member in connection with this Agreement.

4. REPRESENTATIONS AND WARRANTIES OF PURCHASER. Purchaser hereby represents and warrants to the Company that the following statements are true and correct as of the date hereof. Except for the representations and warranties expressly set forth in this Article 4, Purchaser makes no other representation or warranty (either express or implied).

4.1 Organization, Standing and Power. Purchaser is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, with the requisite corporate power to own its properties and to carry on its business as now being conducted. There is no pending or, to the knowledge of Purchaser, threatened, action for the dissolution, liquidation or insolvency of Purchaser.

4.2 Authorization and Binding Obligation of Purchaser. Purchaser has all requisite corporate power and authority to execute and deliver this Agreement and all documents contemplated hereby to which Purchaser is a party or signatory, to consummate the Closing and the other transactions contemplated hereby and to perform its obligations hereunder and thereunder. The execution and delivery by Purchaser of this Agreement and all documents contemplated hereby to which Purchaser is a party or signatory, and the consummation of the Closing and the other transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of Purchaser, and no other authorization or consent of Purchaser or its shareholders is necessary. This Agreement has been duly executed and delivered by Purchaser, and, assuming this Agreement constitutes the valid and binding obligation of the other parties hereto, this Agreement constitutes a valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to creditors' rights generally and general principles of equity, regardless of whether asserted in a proceeding in equity or at law.

4.3 Noncontravention. Neither the execution and delivery by Purchaser of this Agreement, nor the consummation by Purchaser of any of the transactions contemplated hereby, will: (a) conflict with or violate any provision of the Organizational Documents of Purchaser; (b) require on the part of Purchaser any registration, declaration or filing with, or any permit, order, authorization, consent or approval of, any Governmental Authority, except for (i) to the extent applicable, the filing by Purchaser or its Affiliates of such reports and information with the SEC under the Exchange Act as may be required in connection with this Agreement and the other transactions contemplated by this Agreement; and (ii) any registration, declaration, filing, permit, order, authorization, consent or approval that if not made or obtained would not reasonably be expected to have a material adverse effect on Purchaser's ability to execute and deliver this Agreement or consummate the Closing or the other transactions contemplated hereby (a "Purchaser Material Adverse Effect"); (c) conflict with, result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of obligations under, create in any party any right to terminate or modify, or require any notice, consent or waiver under, any contract or agreement to which Purchaser is a party or by which Purchaser is bound, except for (i) any conflict, breach, default, acceleration or right to terminate or modify that would not reasonably be expected to result in a Purchaser Material Adverse Effect or (ii) any notice, consent or waiver the failure of which to make or obtain would not reasonably be expected to result in a Purchaser Material Adverse Effect; (d) violate any Legal Requirement applicable to Purchaser or any of its properties or assets, except for any violation that would not reasonably be expected to have a Purchaser Material Adverse Effect; or (e) render Purchaser insolvent or unable to pay its debts as they become due.

4.4 Litigation.

(a) There is no private or governmental action, suit, proceeding, claim, arbitration or, to the knowledge of Purchaser, investigation, pending before any Governmental Authority or, to the knowledge of Purchaser, overtly threatened in a communication with Purchaser, against Purchaser or its Subsidiaries or any of their respective properties or any of their respective officers or directors (in their capacities as such) that seeks to question, delay or prevent the consummation of the transactions contemplated herein or that would reasonably be expected to result in a Purchaser Material Adverse Effect.

(b) There is no judgment, decree or order against Purchaser or, to the knowledge of Purchaser, against any of its directors or officers (in their capacities as such) that specifically names Purchaser or its Subsidiaries (if any) or such directors or officers and that would reasonably be expected to result in a Purchaser Material Adverse Effect.

4.5 Brokers. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of Purchaser or its Affiliates, except those for which Purchaser will be solely responsible.

4.6 Investment Representations. Purchaser is acquiring the Units solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. Purchaser acknowledges that the Units are not registered under the Securities Act or any state securities laws, and that the Units may not be transferred or sold except pursuant to the registration provisions of the Securities Act or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable.

4.7 No Other Agreements. Except for the agreements expressly contemplated hereby, none of Purchaser or any of its Affiliates has any other agreements, arrangements or understandings with any director, officers, employee, consultant, member or Affiliate of the Company in respect of the transactions contemplated hereby.

4.8 Independent Investigation; No Other Representations or Warranties . Purchaser agrees that none of the Company, the Company Subsidiaries, the Members' Representative, any of the Members, or any of their respective Affiliates have made and shall not be deemed to have made, nor has the Purchaser or any of its Affiliates relied on, any representation or warranty, express or implied, with respect to the Company, the Company Subsidiaries, their business or the transactions contemplated by this Agreement, other than those representations and warranties explicitly set forth in this Agreement (including the Company Disclosure Schedule) or explicitly set forth in the other documents delivered at the Closing pursuant to Section 1.10(b) of this Agreement. Without limiting the generality of the foregoing, Purchaser agrees that no representation or warranty, express or implied, is made with respect to any financial projections or budgets or other forward looking statements. Purchaser further represents and warrants that it (a) has made its own investigation into, and based thereon has formed an independent judgment concerning, the Company, the Company Subsidiaries, and their businesses, and (b) has been given adequate access to such information about the Company, the Company Subsidiaries, and their businesses as Purchaser has reasonably requested.

4.9 Financial Ability. Purchaser has, on the date hereof, the financial capability and all of the funds (or commitments for all of the funds) required in order to consummate the transactions contemplated herein, on the terms contained in this Agreement, and will have all such capability and funds as of the Closing Date.

5. ADDITIONAL AGREEMENTS.

5.1 Public Disclosure; Confidentiality.

(a) No party shall issue any press release or otherwise make any public statement or make any other public (or non-confidential) disclosure (whether or not in response to an inquiry) regarding the terms of this Agreement and the transactions contemplated hereby, without the prior written consent of each of the Purchaser and the Members' Representative. Notwithstanding the foregoing, Purchaser may include disclosures relating to this Agreement and the transactions contemplated herein in Purchaser's filings with the SEC, and otherwise as required by the SEC and NASDAQ, without seeking approval from, or consulting with, any other parties hereto; provided, that Purchaser will make good faith efforts to provide the Members' Representative with written notice of any such disclosures, except to the extent that any such disclosures are substantially similar to the information contained in previous public disclosures made by Purchaser.

(b) The terms of that certain Mutual Confidentiality Agreement, dated December 12, 2013, between the Company and Purchaser (the "Confidentiality Agreement") are

hereby incorporated herein by reference and will continue in full force and effect until the Closing, at which time such Confidentiality Agreement will terminate; provided, however, that, from and after the Closing, except as would have been permitted under the terms of the Confidentiality Agreement, the Members will, and will cause their respective officers, directors, employees, Representatives and Affiliates to, treat and hold as confidential, and not disclose to any Person, information related to the discussions and negotiations between the parties regarding this Agreement and the transactions contemplated hereby and all confidential information relating to the Company and the Company Subsidiaries. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement will nonetheless continue in full force and effect in accordance with its terms.

(c) From and after the date hereof, neither the Members' Representative nor any Member will, and the Members' Representative and each Member will cause its directors, officers, employees, Representatives and Affiliates not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person, or use or otherwise exploit for its own benefit or for the benefit of anyone, any Confidential Information (as that term is defined in the Confidentiality Agreement); provided, however, that any Investor Member and its Affiliates shall be permitted to disclose Confidential Information to any of its attorneys, accountants, advisors, agents, representatives, limited partners, prospective limited partners, portfolio companies and prospective portfolio companies who have a written obligation of confidentiality to such Investor Member or its Affiliates. Neither the Members' Representative nor any Member will have any obligation to keep confidential any Confidential Information if and to the extent disclosure thereof is specifically required by applicable Legal Requirements; provided, however, that in the event disclosure is required by applicable Legal Requirement (other than routine regulatory examinations in the case of the Investor Member and its Affiliates), the Members' Representative or Member (as applicable) will, to the extent permitted by applicable Legal Requirement, provide Purchaser and the Company with prompt notice of such requirement prior to making any disclosure so that the applicable party may seek an appropriate protective order.

5.2 Tax Matters.

(a) **Treatment of Unit Purchase.** Pursuant to Rev. Rul. 99-6 Situation 2, Purchaser and the Members agree that the Unit Purchase shall be treated as (i) a sale of partnership interests by the Members and (ii) a purchase of all of the assets of the Company by Purchaser. Purchaser shall file a consolidated federal income tax return that includes Imgenex for the taxable period of Imgenex starting with the day next following the Closing Date. Accordingly, the taxable year of Imgenex will close for federal income Tax purposes at the end of the day on the Closing Date. No election under Sections 336(e) or 338 of the Code (relating to stock purchases treated as asset acquisitions) or under Reg. §1.1502-76(b)(2)(ii) (relating to ratable allocation elections) shall be made. The parties agree the Company Change in Control Payments are properly allocable to the portion of the Closing Date prior to the Closing, and accordingly (x) the "next day rule" of Reg. §1.1502-76(b)(1)(ii)(B) is inapplicable with respect to Imgenex and (y) any deductions related to Company Change in Control Payments shall be allocable to the Company and the Company Subsidiaries for the period prior to the Closing Date. The Members, the Company, the Company Subsidiaries and Purchaser shall (1) treat and report the transactions contemplated by this Agreement in all respects consistently with the provisions of this Section 5.2(a) for purposes of any federal, state, local or foreign Tax and (2) not take any actions or positions inconsistent with the obligations of the parties set forth in this Section 5.2(a).

(b) Cooperation on Tax Matters. Purchaser and the Members' Representative will cooperate fully, as and to the extent reasonably requested by another party, in connection with the filing of (i) any Tax Return or amended Tax Return with respect to any taxable period beginning before the Closing Date, (ii) audit, or (iii) litigation or other proceeding with respect to Taxes. Such cooperation will include the retention and (upon the other party's request) the provision of records and information that are reasonably relevant to any such Tax Return, audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Purchaser, the Company and the Members' Representative will (i) to retain all books and records with respect to Tax matters pertinent to the Company and its Subsidiaries relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Purchaser or the Company, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority, and (ii) to give the other parties reasonable written notice prior to transferring, destroying or discarding any such books and records and, if any other party so requests, Purchaser will allow the other parties to take possession of such books and records. Purchaser and the Members' Representative further agree, upon request, to use their reasonable best efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax of the Company, its Subsidiaries or Purchaser that could be imposed (including with respect to the transactions contemplated by this Agreement).

(c) Tax Returns.

(i) Tax Periods Ending on or Before the Closing Date. The Members shall prepare or cause to be prepared and file or cause to be filed all Tax Returns of the Company and all Company Subsidiaries for taxable periods ending on or before the Closing Date that have not been filed prior to the Closing Date, including, without limitation, Form 4466 (if applicable), and the Members shall be permitted to amend any Tax Return for any such period to carry-back any loss arising with respect to the taxable period ending on the Closing Date. The Members shall permit Purchaser to review and comment on each such Tax Return described in the prior sentence at least 20 days prior to filing. Purchaser shall not amend any Tax Return for any Pre-Closing Tax Period or extend the statute of limitations period in respect of any such Tax Return without the written consent of the Members' Representative, which consent will not be unreasonably withheld if (y) such amendment or extension would not reasonably be expected to result in indemnity obligations of the Members or (z) such amendment or extension is required by a written order or directive of an appropriate Governmental Authority after taking into account the procedures in Section 5.2(d). All Tax Returns to be prepared by or for the Members pursuant to this Section 5.2(c)(i) shall be prepared in a manner consistent with the past practice of the Company and the Company Subsidiaries, except as otherwise required by law, except that the Tax Returns to be filed by the Members shall request refunds of all overpaid Tax amounts rather than applying such overpayments to a subsequent taxable period. The Members shall be responsible for all Taxes of the Company or any Company Subsidiary due with respect to all Tax Returns to be prepared by or for the Members pursuant to this Section 5.2(c)(i), and shall pay to (or as directed by) the Company any such Taxes, except to the extent that such Taxes are taken into account in the final determination of Closing Date Net Working Capital.

(ii) Tax Periods That Include But Do Not End on the Closing Date . The Company shall cause to be prepared and filed any Tax Returns of the Company and all Company Subsidiaries for taxable periods that include but do not end on the Closing Date, which Tax Returns to the extent relating to any Pre-Closing Tax Period will be prepared in accordance with the Company's past practices and customs except as otherwise required by applicable Legal Requirement. In the event that the Taxes reflected on such Tax Returns would form the basis for a claim of indemnification pursuant to Section 6.1(b), Purchaser will provide the portion of such Tax Returns relevant to such claim of indemnification to the Members' Representative for review and comment at least 20 days prior to the due date for filing such Tax Returns, will make reasonable changes consistent with all applicable Legal Requirements to such Tax Returns as requested by the Members' Representative, and will not file any such Tax Returns without the consent of the Members' Representative, which consent will not be unreasonably withheld, conditioned or delayed. The reasonable expenses of Purchaser incurred in filing such Returns that include the period prior to the Closing Date, to the extent rationally allocable to such pre-Closing Date period, will be reimbursed by the Members within 30 days after submission by Purchase to the Members' Representative of written notice of such expenses. For purposes of this Section 5.2(c)(ii), in the case of any Taxes that are imposed on a periodic basis and are payable for a taxable period that includes (but does not end on) the Closing Date, the portion of such Tax that relates to the pre-Closing period shall (a) in the case of any property Taxes and Taxes other than Taxes based upon or related to income, payroll, sales or receipts, be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending on the Closing Date and the denominator of which is the number of days in the entire taxable period, and (b) in the case of any Tax based upon or related to income, payroll, sales or receipts, be deemed equal to the amount which would be payable if the relevant Taxable period ended on the Closing Date; provided, however, that in determining such Taxes, any deductions related to Company Change in Control Payments shall be allocable to the period prior to the Closing Date. Any credits relating to a taxable period that begins before and ends after the Closing Date shall be allocated on a basis consistent with the allocations made pursuant to the preceding sentence.

(d) Tax Audits and Contests.

(i) Unless Purchaser has previously received notice from the Members' Representative of the existence of any Tax Contest (as defined below), Purchaser will, or will cause the Company to, promptly notify the Members' Representative of any inquiries, claims, assessments, audits or similar events with respect to Taxes relating to a Pre-Closing Tax Period or a Straddle Period for which the Members may be liable under this Agreement (such inquiry, claim, assessment, audit or similar event, a "Tax Contest"); provided, however, that no failure to give such notice will relieve the Members of any liability hereunder except to the extent, if any, that the rights of the Members with respect to such claim are materially actually prejudiced thereby. Except with respect to income Tax Returns (or information Tax Returns related to income Taxes) for taxable periods of the Company or the Company Subsidiaries ending on or before the Closing Date, Purchaser will have the authority to represent the interests of the Company and will have control of the defense, compromise or other resolution of any Tax Contest;

provided, however, that the Members' Representative will be entitled to participate in such Tax Contest at the Members' expense and Purchaser will not settle, compromise and/or concede any portion of such Tax Contest that is reasonably likely to materially affect the Tax liability of the Company, its Subsidiaries or the Members for any Pre-Closing Tax Period without the written consent of Members' Representative, which consent will not be unreasonably withheld, delayed or conditioned. The Members' Representative will have the authority, at the Members' expense, to represent the interests of the Company, its Subsidiaries and the Members and will have control of the defense, compromise or other resolution of any Tax Contest to the extent such Tax Contest involves Tax Returns (or information Tax Returns) related to income Taxes or Taxes in the nature of Taxes on net income for taxable periods of the Company or its Subsidiaries ending on or before the Closing Date; provided, however, that Purchaser will be entitled to participate in such Tax Contest at its own expense and the Members' Representative will not settle, compromise and/or concede any portion of such Tax Contest that is reasonably likely to materially affect the Tax liability of the Company, its Subsidiaries or Purchaser for any taxable period (or portion thereof) occurring after the Closing Date without the written consent of Purchaser, which consent will not be unreasonably withheld, delayed or conditioned.

(ii) If Purchaser or the Members' Representative elects, by written notice to the other party, not to control the defense of a Tax Contest that it has authority to control, the other party may assume control of the defense of such Tax Contest. In such event, the party electing not to control the defense of such Tax Contest (the "Non-Controlling Party") will be given the opportunity to participate in, but not direct or conduct, any defense of such Tax Contest, unless such participation would affect any privilege of the party controlling the defense of such Tax Contest (the "Controlling Party"). The Non-Controlling Party's participation under such circumstances will be subject to the Controlling Party's right to control such defense. The Controlling Party will not settle any such Tax Contest without the consent of the Non-Controlling Party, which consent will not be unreasonably withheld, delayed or conditioned. The Controlling Party will (i) keep the Non-Controlling Party advised of the status of such claim and the defense thereof (including all material developments and events relating thereto) and will consider in good faith recommendations made by the Non-Controlling Party with respect thereto and (ii) make available to the Non-Controlling Party any documents or materials in its possession or control that may be necessary to understand the defense of such claim (subject to protection of the attorney-client privilege). The Non-Controlling Party will furnish the Controlling Party with such information as it may have with respect to such Tax Contest (including copies of any summons, complaints or other pleadings that may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and will otherwise reasonably cooperate with and assist the Controlling Party in the defense of such Tax Contest.

(e) **Tax Refunds.** All Tax refunds and overpayments relating to the Company and all Company Subsidiaries and relating to Taxable periods or any portion thereof ending on the Closing Date, whether received in cash or applied to a subsequent Taxable period, shall be solely for the benefit of the Members, and Purchaser shall cause the same to be paid promptly to the Members. Any such payment to the Members shall be treated as an adjustment to the Purchase Price.

5.3 Indemnification of Directors and Officers of Company. Prior to or as of the Closing, the Company will cause coverage to be extended under the director and officer

insurance policy (or policies) maintained by the Company as of the date of this Agreement with respect to any actions or omissions by any current or former officers or directors of the Company occurring prior to the Closing, by obtaining a related “tail” policy that has an effective term of six years from the Closing Date, with coverage in amount and scope at least as favorable as the Company’s existing coverage. The cost of such tail policy will be treated as a Specified Transaction Expense of the Company.

5.4 Non-Competition and Non-Solicitation.

(a) For a period of five years commencing on the Closing Date (the “Restricted Period”), each Designated Member will not, nor will any Designated Member permit its Affiliates to, directly or indirectly, (i) engage in or assist others in engaging in any standalone business, or in the case of a larger entity, any business unit, that is directly or indirectly competitive with the business of Purchaser, the Company and the Company Subsidiaries (the “Restricted Business”); (ii) have an interest in any Person (other than Purchaser) that engages directly or indirectly in the Restricted Business in any capacity, including as a partner, shareholder, member, manager, officer, director, employee, principal, agent, trustee or consultant; or (iii) intentionally interfere with the business relationships (whether formed prior to or after the Closing Date) between the Company or any Company Subsidiary or any of their respective Affiliates, on the one hand, and any of their customers or suppliers, on the other hand. Notwithstanding the foregoing, a Designated Member may own, directly or indirectly, solely as an investment, securities of any Person traded on any national securities exchange if such Designated Member is not a controlling Person of, or a member of a group that controls, such Person and does not, directly or indirectly, own 5% or more of any class of securities of such Person.

(b) No Designated Member, during the Restricted Period, and no Investor Member, for a period of one year commencing on the Closing Date, will or permit its Affiliates to, directly or indirectly, hire or solicit any officer or employee of the Company or encourage any such officer or employee to leave such employment or hire any such officer or employee who has left such employment, except pursuant to a general solicitation that is not directed specifically to any such officers or employees.

(c) Each Designated Member and each Investor Member acknowledges that the restrictions applicable to he, she or it contained in this Section 5.4 are reasonable and necessary to protect the legitimate interests of Purchaser and constitute a material inducement to Purchaser to enter into this Agreement and consummate the transactions contemplated by this Agreement. In the event that any covenant contained in this Section 5.4 should ever be adjudicated to exceed the time, geographic, product or service, or other limitations permitted by applicable Legal Requirements in any jurisdiction, then any court is expressly empowered to reform such covenant, and such covenant will be deemed reformed, in such jurisdiction to the maximum time, geographic, product or service, or other limitations permitted by applicable Legal Requirements. The covenants contained in this Section 5.4 and each provision hereof are severable and distinct covenants and provisions. The invalidity or unenforceability of any such covenant or provision as written will not invalidate or render unenforceable the remaining covenants or provisions hereof, and any such invalidity or unenforceability in any jurisdiction will not invalidate or render unenforceable such covenant or provision in any other jurisdiction. The duration of the covenants set forth in this Section 5.4 will not expire, and will be tolled, with respect to a Designated Member

or Investor Member during any period in which such Designated Member or Investor Member is in violation of any of those covenants, and all restrictions will automatically be extended by the period of such Designated Member or Investor Member's violation of any such covenants.

5.5 Release.

(a) Except as hereinafter provided, each Member and its or their respective successors and assigns (collectively with such Member, the "Releasors"), effective on the Closing Date, irrevocably and unconditionally releases, waives and forever discharges Purchaser and the Company and each Company Subsidiary and their respective subsidiaries, successors or assigns (collectively, the "Releasees"), from any and all actions, causes of action, suits, debts, covenants, contracts, claims, demands, damages, losses, costs, expenses, penalties, rights, remedies and liabilities or proceedings of any nature of whatsoever kind or nature, in law or equity, past or present, known or unknown, that they have ever had from the beginning of time, now have, or hereafter can, will or may have or in the future may assert, whether known or unknown, fixed or contingent (collectively, "Claims") against any Releasee, but only to the extent arising from any act, omission, event or transaction occurring on or prior to the Closing, including the ownership of the Units by such Member (collectively, the "Released Claims"). For the avoidance of doubt, this Section 5.5 does not release the Releasees with respect to claims arising out of, based on or resulting from (i) this Agreement or any agreement entered into in connection with this Agreement, (ii) if such Member is an employee of the Company or any Company Subsidiary, any Claims for salary or wages due to such Member solely in such employee capacity, or (iii) if such Member is now or has been at any time prior to the Closing Date an officer or director of the Company, or who, while a director or officer of the Company, is or was serving at the Company's request as a director, officer, partner, trustee, employee, or agent of another domestic or foreign corporation, partnership, joint venture, trust, employee benefit plan, or other entity, as to claims of indemnification, advancement of expenses or exculpations to the extent such indemnification, advancement or exculpation is covered by arrangements identified in Section 5.3 (including claims under contracts or policies of insurance referenced in such Section 5.3)

(b) Each Member represents and warrants that there has been no sale, assignment, transfer, encumbrance, pledge or any other disposal of any interest in any Released Claim, and each Member will not sell, assign, transfer, encumber, pledge or otherwise dispose of any interest in any Released Claim prior to the Closing Date.

(c) Each Member hereby expressly waives any rights it or any Releasor may have under the statutes of any jurisdiction or common law principles of similar effect, to preserve Claims that such Member does not know or suspect to exist in such Member's favor at the time of executing this Agreement or at the Closing. Each Member understands and acknowledges that it and any Releasor may discover facts different from, or in addition to, those that it currently knows or believes to be true with respect to the claims released herein and agrees that the terms of this Section 5.5 will be and remain effective in all respects, notwithstanding any subsequent discovery of different or additional facts.

(d) Each Member irrevocably agrees to refrain from directly or indirectly asserting any claim or demand or commencing (or causing to be commenced) any suit, action or proceeding of any kind against any Releasee, based upon or in connection with any matter purported to be released pursuant to this Section 5.5.

5.6 Employee Compensation and Benefit Plans.

(a) For a period of one year after the Closing Date, except for any equity incentive plans, Purchaser shall cause the Company and the Company Subsidiaries to maintain employee benefit and compensation plans, programs, policies and arrangements which, in the aggregate, will provide compensation and benefits to the employees of the Company and the Company Subsidiaries substantially similar in all material respects, in the aggregate, to those provided pursuant to the plans, programs, policies and arrangements of the Company and the Company Subsidiaries in effect on the date of this Agreement; provided, however, that nothing herein shall interfere with Purchaser's, the Company's or the Company Subsidiaries' right or obligation to (i) make such changes to such plans, programs, policies or arrangements as are necessary to conform with applicable Legal Requirements or (ii) discontinue or terminate the employment of any employees.

(b) To the maximum extent permitted by law, for the purposes of any of the employee benefit and compensation plans (other than any equity incentive plan), programs, policies and arrangements of the Purchaser (collectively, the "Purchaser's Plans") for which eligibility or vesting of benefits depends on length of service, and for any benefit for which the amount or level of benefits depends on length of service, the Purchaser shall give (or cause to be given) to each employee full credit for past service with the Company and/or its Subsidiaries as of and through the Closing Date ("Prior Service") under the plans, programs, policies and arrangements of the Company and its Subsidiaries in effect on the date of this Agreement (collectively, the "Company Plans"). In addition, to the maximum extent permitted by law, each employee (a) shall be given credit for Prior Service for purposes of eligibility to participate, satisfaction of any waiting periods, evidence of insurability requirements, or the application of any pre-existing condition limitations; (b) shall be given credit for amounts paid under a corresponding Company Plan during the same period for purposes of applying deductibles, co-payments and out-of-pocket maximums as though such amounts had been paid in accordance with the terms and conditions of the Purchaser's Plans; and (c) shall be eligible to receive under the Purchaser's Plans such periods of vacation leave, sick leave, personal days, holidays and other similar periods of leave as were accrued and available to the employee under the Company Plans immediately prior to the Closing.

5.7 Books and Records. In addition to any other access or information rights provided in this Agreement, after the Closing and upon no less than five Business Days' written notice to Purchaser, the Members' Representative and its accountants, lawyers and representatives shall be entitled at all reasonable times during the normal business hours of Purchaser to have access to and to make copies of the books and records and other information of the Company or any of its Subsidiaries relating to the Members' ownership for the limited purposes of (i) preparing Tax Returns as required under this Agreement and (ii) litigation relating to the Members' ownership of the Company or any of its Subsidiaries prior to the Closing. In the event of any litigation or threatened litigation between the parties relating to this Agreement or the transactions contemplated hereby, the covenants contained in this Section 5.7 shall not be considered a waiver by any party of any right to assert the attorney-client privilege or any similar privilege.

6. ESCROW AND INDEMNIFICATION.

6.1 Indemnification.

(a) Expiration of Representations, Warranties, and Covenants. All representations and warranties made by the Company, the Members and Purchaser in this Agreement will survive the Closing until the 15 month anniversary of the Closing Date, at which time such representations and warranties will expire and terminate and be of no further force and effect; provided, however, that (i) the representations and warranties contained in Section 2.23(m) shall survive the Closing until the 36 month anniversary of the Closing Date, at which time such representations and warranties will expire and terminate and be of no further force and effect; and (ii) the representations and warranties contained in Section 2.1 (Organization, Standing and Power), Section 2.2 (Company Subsidiaries), Section 2.3 (Power and Authority), Section 2.4 (Capitalization), Section 2.23(a)-(l); (n) (Taxes), Section 2.31 (Brokers' and Finders' Fee), Section 3.1 (Ownership of Units), Section 3.2 (Authority), Section 3.5 (Brokers), Section 4.1 (Organization, Standing and Power), Section 4.2 (Authorization and Binding Obligation of Purchaser), Section 4.5 (Brokers) and Section 4.8 (Independent Investigation; No Other Representations or Warranties) (collectively, the "Fundamental Representations") will survive the Closing until the 30th day after expiration of the applicable statute of limitations, at which time they will expire and terminate and be of no further force and effect (the date of expiration of any representation or warranty in this Agreement being a "Representation Termination Date"). The covenants or agreements contained in this Agreement will continue in full force and effect after the Closing in accordance with their terms (the date of expiration of any covenant in this Agreement being a "Covenant Termination Date"). No claim for a breach of any representation or warranty contained in this Agreement may be made after the expiration of the Representation Termination Date of such representation or warranty, and no claim for a breach of any covenant contained in this Agreement may be made after the expiration of the Covenant Termination Date of such covenant, in each case except for claims of which a party has received written notification (each, an "Indemnification Claim Notice") prior to such expiration setting forth in reasonable detail the nature of such claim (including a reasonable specification of the legal and factual basis for such claim). If a party has sent an Indemnification Claim Notice to another party within the time period prescribed by this Section 6.1(a), such claim will not be extinguished by the passage of such time period and will survive until such claim has been fully and finally resolved. The Company and the Members waive any statute of limitations to the extent inconsistent with this Section 6.1(a). The parties acknowledge that the time periods set forth in this Section 6.1(a) for the assertion of claims under this Agreement are the result of arms'-length negotiation among the parties and that they intend for the time periods to be enforced as agreed by the parties.

(b) Indemnification for Company Representations. Subject to the limitations set forth in Sections 6.1(a), 6.1(b), 6.1(e), 6.1(g) and 6.5, from and after the Closing Date, the Members, severally, but not jointly, in accordance with their respective Pro Rata Portions, will indemnify, defend and hold harmless Purchaser and its Affiliates and their respective shareholders, directors, officers, employees, agents, Representatives, successors in interest and assigns (each of the foregoing being referred to individually as an "Indemnified Person" and collectively as "Indemnified Persons") from, against and in respect of, and will compensate and reimburse the Indemnified Persons for, any and all Damages imposed on, sustained, incurred or suffered by any Indemnified Person, directly or indirectly, whether or not

due to a third-party claim, arising out of, resulting from or in connection with: (i) any breach of, or inaccuracy in, any representation or warranty, made by the Company set forth in Article 2 of this Agreement; (ii) any claim by a Member regarding the distribution of payments hereunder among Members; and (iii) Taxes resulting from any activities of the Company prior to Closing including taxes for periods beginning before the Closing and ending after the Closing as determined under the methodology described in Section 5.2(c)(ii).

(c) Indemnification for Member Representations and Covenants. In addition to the indemnification obligations of the Members set forth in Section 6.1(b), but subject to the limitations set forth in Sections 6.1(a), 6.1(b), 6.1(e), 6.1(g) and 6.5, from and after the Closing Date, each Member, severally and not jointly, will indemnify, defend and hold harmless the Indemnified Persons from, against and in respect of, and will compensate and reimburse the Indemnified Persons for, any and all Damages imposed on, sustained, incurred or suffered by any Indemnified Person, directly or indirectly, whether or not due to a third-party claim, arising out of, resulting from or in connection with (i) any breach of, or inaccuracy in, any representation or warranty, of such Member set forth in Article 3 of this Agreement; or (ii) any breach by such Member of any covenant of such Member set forth in this Agreement. No Member shall have any obligation to indemnify or defend and hold harmless any Indemnified Person from, against and in respect of any and all Damages imposed on, sustained, incurred or suffered by any Indemnified Person arising out of or in connection with (A) any breach of, or inaccuracy in, any representation or warranty of any other Member set forth in Article 3 of this Agreement; or (B) any breach of any covenant of any other Member set forth in this Agreement.

(d) Indemnification for Purchaser Representations and Covenants. From and after the Closing Date, Purchaser will indemnify, defend and hold harmless each Member and its equity owners, directors, officers, employees, agents, successors in interest and assigns from, against and in respect of, and will compensate and reimburse such Persons for, any and all Damages actually imposed on, sustained, incurred or suffered by or asserted against them, directly or indirectly, whether or not due to a third-party claim, arising out of, resulting from or in connection with (i) any breach of any representation or warranty of Purchaser set forth in Article 4 of this Agreement, and (ii) the breach of any covenant of Purchaser set forth in this Agreement.

(e) Limitations of Liability.

(i) Determination of Damages. In determining the amount of any Damages for which an Indemnified Person is entitled to assert a claim for indemnification hereunder, the amount of any such Damages shall be determined after deducting therefrom the amount of any insurance proceeds (after giving effect to any applicable deductible, retention, increase in premiums and costs of recovery) and other third party recoveries actually received by the Indemnified Person (excluding costs of recovery), the Company, or any Subsidiary in respect of such Damages. If an indemnification payment is received by an Indemnified Person, and any Indemnified Person, the Company, or any Subsidiary later receives insurance proceeds or other third party recoveries in respect of the related Damages, the Purchaser shall promptly pay to the Members' Representative, for the benefit of the Members, an amount equal to the lesser of (a) the actual amount of such insurance proceeds, other third party recoveries and tax benefits or (b) the actual amount of the indemnification payment previously paid by any Member or the Members' Representative, on behalf of the Members, with respect to such Damages. To the extent required by law, all parties shall use commercially reasonable efforts to mitigate the amount of Damages for which they may be entitled to indemnification hereunder.

(ii) Deductible. Subject to Sections 6.1(e)(v) and 7.6 and without limiting the effect of any other limitation contained in this Agreement, the indemnification obligations of the Members provided for in Section 6.1(b) and Section 6.1(c) will not apply, and the Indemnified Persons will not be entitled to exercise any indemnification rights under this Agreement, except to the extent that the aggregate amount of the Damages against which such Indemnified Persons would otherwise be entitled to be indemnified under Section 6.1(b) and Section 6.1(c) exceeds \$300,000 (the “Deductible”); provided, however, that the Deductible will not apply to the Fundamental Representations and any matters described in Sections 6.1(b)(ii) and 6.1(b)(iii), Section 6.1(c)(ii) and Section 6.1(e)(v) (collectively, the “Excluded Matters”). If the aggregate amount of such Damages exceeds the Deductible, then the Indemnified Person will, subject to the other limitations contained herein, be entitled to be indemnified only against the portion of such Damages in excess of the Deductible.

(iii) Cap. Subject to Sections 6.1(e)(v) and 7.6, (i) the Indemnified Persons’ sole and exclusive source of payment for a claim under this Section 6.1 shall be limited to the Escrow Amount, and no Indemnified Person shall seek recourse against any other assets of the Members for any claim and, accordingly, the Members’ cumulative liability for indemnification payments hereunder shall not exceed, in the aggregate, the amount at any time remaining in the Escrow Amount; provided, however, that (x) the limitations in these clauses shall not apply to any Excluded Matters (except as otherwise provided in this Section 6.1(e)(iii)); and (y) the Members’ cumulative liability for indemnification payments made either (1) pursuant to breaches of the representations and warranties contained in Section 2.23(m); or (2) pursuant to Section 6.1(b)(iii), to the extent such payments relate to sales or use Taxes, shall instead be limited *first*, to the Escrow Amount, so long as it is available, and once the Escrow Amount is no longer available, *then* to \$6,000,000 *less* any portion of the Escrow Amount actually released to the Indemnified Persons. Subject to Sections 6.1(e)(v) and 7.6 and without limiting the effect of any other limitation contained in this Agreement, the Members’ indemnity obligations for Damages with respect to the Excluded Matters will be limited, in the aggregate, to \$60,000,000, *less* the amount of indemnification payments paid by or on behalf of the Members for other indemnification claims under this Agreement.

(iv) Materiality. For purposes of calculating Damages hereunder (but not for purposes of determining the failure of any representation or warranty to be true and correct), any reference to materiality or Company Material Adverse Effect in the representations and warranties will be disregarded.

(v) Applicability of Limitations. Nothing in this Agreement will limit any remedy any party hereto may have with respect to fraud or intentional and material criminal actions. The right to indemnification or any other remedy based on representations, warranties, covenants and agreements contained in this Agreement will not be affected by any investigation conducted at any time, or any knowledge acquired, capable of being acquired, or that is alleged the other party should have known, at any time, whether before or after the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or agreement. The waiver of any condition based on the accuracy of any such

representation or warranty, or on the performance of or compliance with any such covenant or agreements, will not affect the right to indemnification or any other remedy based on such representations, warranties, covenants and agreements.

(vi) Other Limitations. No Indemnified Person shall offer to compromise any claim unless the same offer is made to the Member's Representative, on behalf of all of the Members.

(f) Control of Defense; Conditions. Except as otherwise provided in Section 5.2(d), which will apply to all Tax Contests, in the event Purchaser or another Indemnified Person becomes aware of a third party claim (any such claim, a "Third Party Claim") that Purchaser believes may result in a claim for indemnification pursuant to this Article 6 by or on behalf of an Indemnified Person, Purchaser will promptly notify the Members' Representative in writing of such Third Party Claim. Notwithstanding the foregoing, no delay in providing such notice prior to the applicable Representation Termination Date will affect an Indemnified Person's rights hereunder, unless (and then only to the extent that) the Members are materially prejudiced thereby. Such notice shall contain a reasonably detailed description of the basis of the claim and the nature and amount, if then reasonably ascertainable, of such Damages that may be indemnifiable. The obligations of the Members under this Article 6 with respect to Damages arising from any Third Party Claim will be governed by the following additional terms and conditions:

(i) The Members' Representative, at its option and at the expense of the Members, will be entitled to assume control of the defense of any Third Party Claim at any time by written notice to the Indemnified Person within 30 days of receiving notice of the Third Party Claim from Purchaser and may appoint as lead counsel of such defense any legal counsel selected by the Members' Representative and reasonably acceptable to Purchaser. In the event that the Members' Representative elects to assume control of the defense of any Third Party Claim, the Members' Representative will keep Purchaser informed of all material events and developments, including promptly providing copies of any correspondence and court filings, with respect to such Third Party Claim.

(ii) Notwithstanding Section 6.1(f)(i) above, the Indemnified Person will be entitled to participate in the defense of such claim and to employ counsel of its choice for such purpose; provided, that such employment will be at the Indemnified Person's own expense unless (i) the Members' Representative has failed to assume (or elects not to assume) the defense and employ counsel in accordance with Section 6.1(f)(i), (ii) the named parties to any such Third Party Claim (including any impleaded parties) include both the Members and the Indemnified Person and, in the opinion of counsel to the Members' Representative and the Indemnified Person, there is an actual conflict of interest between the Members' Representative and the Indemnified Person, or (iii) the Indemnified Person determines in good faith that there is a reasonable probability that such Third Party Claim seeks material non-monetary relief, in which case the Indemnified Person will have the right, by notice to the Members' Representative, to assume the defense of such claim and the reasonable fees and expenses of the Indemnified Person's counsel incurred in connection with such Third Party Claim will be included in Damages; provided, however, that if it is ultimately determined by agreement of the Members' Representative and the Indemnified Person or by a court of competent jurisdiction that the Indemnified Person is not entitled to be indemnified hereunder with respect to the Third Party Claim, such fees and expenses will not be Damages.

(iii) In connection with a Third Party Claim, the Indemnified Person claiming indemnification shall cooperate fully with the indemnifying party and make available to the indemnifying party all pertinent information under its control (provided that all Confidential Information shall be subject to the terms of the Confidentiality Agreement). Without limiting the generality of the foregoing, Purchaser will, and will cause employees of the Company and the Company Subsidiaries to, reasonably cooperate fully with the Members' Representative in connection with any matter for which Members are the indemnifying party. Such cooperation may include, without limitation, (a) assisting in the collection and preparation of discovery materials, (b) meeting with (and making employees available to meet with) the Members' Representative and/or its counsel to prepare for and/or appear as witnesses at depositions, court proceedings and/or trial and (c) providing to the Members' Representative and/or its counsel all information under the control of the Company or any of its Subsidiaries that is deemed necessary by the Members' Representative and/or its counsel for the defense or prosecution of such matter (subject to the attorney-client privilege).

(iv) Neither the Members' Representative nor the Indemnified Person may consent to the entry of any judgment or enter into any settlement or compromise with respect to any Third Party Claim without the prior written consent of the other, such consent not to be unreasonably withheld, conditioned or delayed.

(g) **No Duplication of Recovery.** Notwithstanding anything contained in this Agreement to the contrary, (i) to the extent that any Damages resulting from any breach of any representation, warranty, covenant or agreement of the Company or any Member under this Agreement is taken into account as a current liability, reserved or accrued, or otherwise accounted for, in determining Closing Date Net Working Capital, or on the Company Balance Sheet, or otherwise taken into account in the calculation of the Purchase Price, (A) no Indemnified Person may recover such Damages through a claim pursuant to Article 6 or otherwise and (B) such Damages will not be included in the determination of whether all Damages, in the aggregate, exceed the Deductible or the Cap and (ii) no Indemnified Person may recover duplicative Damages in respect of a single set of facts or circumstances under more than one representation or warranty in this Agreement, regardless of whether such facts or circumstances would give rise to a breach of more than one representation or warranty in this Agreement.

6.2 Subrogation. If (a) the Members' Representative authorizes any indemnification payment hereunder, and (b) the Purchaser, the Company or any Company Subsidiary has or may have a claim against any insurer or any other third party (excluding any officer, director, employee, customer, supplier, or other party in privity of contract with the Company or a Company Subsidiary, other than any former stockholder of Imgenex, none of which, for the avoidance of doubt, shall be excluded) in respect of the related Damages, the Members' Representative, on behalf of the Members, shall be subrogated to the rights and claims of the Purchaser, the Company and such Company Subsidiary, as the case may be, against such insurance or third party, as the case may be, but only to the extent the Purchaser, the Company or such Company Subsidiary is not already pursuing such claim against such insurer or third party. The Members' Representative (on behalf of the Members) shall not, however, have the right to

collect aggregate payments from such insurer or other third party or third parties in excess of the actual amount of the indemnification payment previously paid by any Member or the Members' Representative, on behalf of the Members, with respect to such Damages, and any excess amount so collected shall be promptly turned over to Purchaser. The Purchaser and the Company will, and will cause the Subsidiaries to, execute and deliver to the Members' Representative such documents and take such other actions as may reasonably be requested in order to give effect to this Section. All actions taken pursuant to the terms of this Section 6.2 shall be at the sole cost and expense of the Member's Representative.

6.3 Exercise of Remedies by Indemnified Persons other than Purchaser. No Indemnified Person (other than Purchaser) will be permitted to assert any indemnification claim or exercise any other remedy under this Agreement unless Purchaser consents to the assertion of such indemnification claim or the exercise of such other remedy.

6.4 Treatment of Indemnification Payments. To the maximum extent permitted by law, the parties agree that any amount paid to an Indemnified Person pursuant to this Article 6 will be treated as a reduction in the consideration payable hereunder for Tax purposes, and the parties agree to file their Tax Returns and any necessary amendments to Tax Returns accordingly.

6.5 Remedies Exclusive. All representations and warranties set forth in this Agreement are contractual in nature only and subject to the sole and exclusive remedies set forth herein. Subject to Sections 6.1(e)(v) and 7.6, the remedies provided in this Article 6 shall be the sole and exclusive remedies of the Indemnified Persons and their heirs, successors and assigns after the Closing Date with respect to this Agreement and the transactions contemplated by this Agreement including, without limitation, any breach or non-performance of any representation, warranty, covenant or agreement contained herein. Following the Closing, no party shall bring any claim with respect to this Agreement or the transactions contemplated hereby, whether in contract, tort or otherwise, except to bring a claim for (i) fraud or intentional and material criminal actions against the party that committed such fraud or intentional and material criminal action, as applicable, (ii) indemnification against the Members in accordance with Section 6.1(b) or Section 6.1(c), (iii) indemnification against the Purchaser in accordance with Section 6.1(d) or (iv) a claim for equitable relief in accordance with Section 7.6. The provisions of this Article 6 constitute an integral part of the consideration given to the Members pursuant to this Agreement and were specifically bargained for and reflected in the total amount of the Purchase Price payable to the Members pursuant to this Agreement. Subject to the foregoing, the sole and exclusive remedies for any breach of the terms and provisions of this Agreement (including any representations and warranties set forth herein, made in connection herewith or as an inducement to enter into this Agreement) or any claim or cause of action otherwise arising out of or related to the sale of the Units shall be those remedies at law or in equity for breach of contract only (as such contractual remedies have been further limited or excluded pursuant to the express terms of this Agreement); and the parties hereby agree that neither party hereto shall have any remedies or causes of action (whether in contract or in tort) for any statement, communication, disclosure, failure to disclose, representation or warranty not set forth in this Agreement.

7. GENERAL PROVISIONS.

7.1 Notices. All notices and other communications hereunder shall be in writing and will be deemed duly delivered (i) upon receipt if delivered personally, (ii) one Business Day after being sent by nationally recognized commercial overnight courier service, with confirmation of receipt, or (iii) upon transmission if sent via facsimile with confirmation of receipt (or, if such facsimile is not sent on a Business Day, then on the next succeeding Business Day), to the parties at the following addresses (or at such other address for a party as may be specified upon like notice):

- (a) if to Purchaser to:

Techne Corporation
614 McKinley Place NE
Minneapolis, MN 55413
Attention: Chief Executive Officer
Facsimile: (612) 656-4514

with a copy to:

Fredrikson & Byron, P.A.
200 South Sixth Street, Suite 4000
Minneapolis, MN 55402
Attention: Melodie Rose; Alexander Rosenstein
Facsimile: 612-492-7077
Email: mrose@fredlaw.com; arosenstein@fredlaw.com

- (b) if to a Member, to the address set forth opposite such Member's name on Schedule 1 hereto.

- (c) if to the Company, to:

Novus Holdings, LLC
c/o Techne Corporation
614 McKinley Place NE
Minneapolis, MN 55413
Attention: Chief Executive Officer
Facsimile: (612) 656-4514

with a copy to:

Fredrikson & Byron, P.A.
200 South Sixth Street, Suite 4000
Minneapolis, MN 55402
Attention: Melodie Rose; Alexander Rosenstein
Facsimile: 612-492-7077
Email: mrose@fredlaw.com; arosenstein@fredlaw.com

(d) if to Members' Representative, to:

Mainsail Partners II, L.P.
One Front Street
Suite 3000
San Francisco, CA 94111
Attention: Gavin M. Turner
E-Mail: gavin@mainsailpartners.com
Facsimile: (417)-727-4111

with a copy to:

Choate Hall & Stewart LLP
Two International Place
Boston, MA 02110
Attention: Lee S. Feldman, Esq.
E-Mail: lfeldman@choate.com
Facsimile: (617)-502-4053

7.2 Counterparts. This Agreement may be executed in one or more counterparts, all of which will be considered one and the same agreement, and will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission will be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

7.3 Integration; Schedules.

(a) Entire Agreement; Nonassignability; Parties in Interest. This Agreement and the documents and instruments delivered pursuant hereto, including the exhibits hereto, the Company Disclosure Schedule and the other schedules hereto: (i) together constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof, except for the Confidentiality Agreement, which will continue in full force and effect in accordance with its terms and will survive any termination of this Agreement until the Closing; (ii) are not intended to confer upon any other person any rights or remedies hereunder (except for the officers and directors of the Company referenced in Section 5.3); and (iii) may not be assigned by Purchaser, on the one hand, or by Company, the Members' Representative or any Member, on the other hand (by operation of law or otherwise), without the written consent of Purchaser, the Company and the Members' Representative; provided, however, that Purchaser may, without the consent of any other party, (A) assign this Agreement to any Affiliate or to a third party in connection with the sale of all or substantially all of the business to which this Agreement relates, and (B) collaterally assign its rights under this Agreement to its lenders or the lenders of any of its Affiliates. The parties hereto have voluntarily agreed to define their rights, liabilities and obligations respecting the sale of the Securities exclusively in contract pursuant to the express terms and provisions of this Agreement; and the parties hereto expressly disclaim that they are owed any duties or are entitled to any remedies not expressly set forth in this Agreement.

(b) Company Disclosure Schedule. Information set forth on any section of the Company Disclosure Schedule hereto shall be deemed to qualify each section of this Agreement to which such information is applicable (regardless of whether or not such section is qualified by reference to a schedule), so long as application to such section is reasonably discernible from the reading of such disclosure. No information set forth on any section of the Company Disclosure Schedule hereto shall be deemed to broaden in any way the scope of the Company's representations and warranties. The inclusion of an item on any section of the Company Disclosure Schedule is not evidence of the materiality of such item for purposes of this Agreement or otherwise, or that such item is a disclosure required under the Agreement. Any description of any agreement, document, instrument, plan, arrangement or other item set forth on any schedule hereto is a summary only and is qualified in its entirety by the terms of such agreement, document, instrument, plan, arrangement or item, copies of which have been made available to the Purchaser. No disclosure in any section of the Company Disclosure Schedule relating to any possible breach or violation of any agreement, authorization or Legal Requirement shall be construed as an admission or indication that any such breach or violation exists or has actually occurred, or shall constitute an admission of liability to any third party.

7.4 Severability. In the event that any provision of this Agreement, or the application thereof becomes, or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement, and the application of such provision to other persons or circumstances other than those as to which it is determined to be illegal, void or unenforceable, will not be impaired or otherwise affected and will continue in full force and effect and be enforceable to the fullest extent permitted by law.

7.5 Expenses. Other than as set forth in this Agreement, the parties agree that all fees and expenses incurred by them in connection with this Agreement and the transactions contemplated hereby will be borne by the party incurring such fees and expenses, including all fees of counsel and accountants.

7.6 Specific Performance. The parties hereto agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event any provision of this Agreement and the transactions contemplated hereby were not performed in accordance with the specific terms hereof or were otherwise breached. It is accordingly agreed that each of the parties hereto will be entitled (in addition to any other remedies available to them at law) to the remedies of specific performance (which will include the right to obtain an order compelling a party's counterparty hereto to close the transactions contemplated by this Agreement) and injunctive relief (without bond or other security being required and without the necessity of proving the inadequacy of money damages) to prevent breaches or threatened breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which they are entitled at law or in equity.

7.7 Waiver of Conflicts. Purchaser (on behalf of itself and its Affiliates) hereby irrevocably acknowledges and agrees that: (a) the Members' Representative and the Members shall have the right to retain Choate, Hall & Stewart LLP (the "Designated Firm") to represent its or their interests in any dispute arising under or in connection with this Agreement, any agreement entered into pursuant to this Agreement, or the transactions contemplated this Agreement (a "Dispute"); (b) Purchaser (on behalf of itself and its Affiliates) irrevocably waives, consents to and covenants not to assert any objection, based on conflict of interest or otherwise, to any representation of the Members' Representative or the Members by the Designated Firm in any Dispute; (c) all communications between or among any of the Members, the Company (solely with respect to the period prior to Closing), the Members' Representative or any of their respective Affiliates, directors, officers, employees, agents or representatives, on the one hand, and the Designated Firm, on the other hand, made in connection with the negotiation, preparation, execution, delivery and closing under, or any dispute arising in connection with (however, excluding communications with the Company following the Closing), this Agreement or otherwise relating to any potential sale of the Company (the "Protected Member Communications"), shall be deemed to be privileged and confidential communications; (d) all rights to such Protected Member Communications, and the control of the confidentiality and privilege applicable thereto, shall be retained by the Members' Representative; and (e) to the extent Purchaser or any of its Affiliates (including the Company) should discover in its possession after the Closing any Protected Member Communications, it shall take reasonable steps to preserve the confidentiality thereof and promptly deliver the same to the Members' Representative, keeping no copies, except to the extent any such Protected Member Communications is included in the minute books and equity record books of the Company or any of the Company Subsidiaries.

7.8 Governing Law; Venue; Waiver of Jury Trial.

(a) This Agreement and any claim, controversy or dispute arising out of or related to this Agreement, any of the transactions contemplated hereby, the relationship of the parties, and/or the interpretation and enforcement of the rights and duties of the parties, whether arising in contract, tort, equity or otherwise, will be governed by, and construed in accordance with, the laws of the State of Delaware (including in respect of the statute of limitations or other limitations period applicable to any such claim, controversy or dispute), without regard to any applicable principles of conflicts of law that might require the application of the laws of any other jurisdiction.

(b) Any judicial proceeding brought with respect to this Agreement shall be brought in any court of competent jurisdiction in the State of Delaware, and, by execution and delivery of this Agreement, each party (i) accepts, generally and unconditionally, the exclusive jurisdiction of such courts and any related appellate court, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement and (ii) irrevocably waives any objection it may now or hereafter have as to the venue of any such suit, action or proceeding brought in such a court or that such court is an inconvenient forum. Service of process, summons, notice or other document by mail to such party's address set forth herein will be effective service of process for any suit, action or other proceeding brought in any such court.

(c) EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY

HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

7.9 Rules of Construction.

(a) The parties hereto agree that they have been represented by counsel during the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

(b) For purposes of this Agreement, whenever the context requires: the singular number includes the plural, and vice versa; the masculine gender includes the feminine and neuter genders; the feminine gender includes the masculine and neuter genders; and the neuter gender includes the masculine and feminine genders.

(c) As used in this Agreement, (i) the words "include" and "including," and variations thereof, will not be deemed to be terms of limitation, but rather will be deemed to be followed by the words "without limitation," (ii) the words "hereby," "herein," "hereunder" and "hereto" will be deemed to refer to this Agreement in its entirety and not to any specific article or section of this Agreement, and (iii) all references to "\$" mean United States dollars.

(d) Except as otherwise indicated, all references in this Agreement to "Sections," "Schedules" and "Exhibits" are intended to refer to Sections of this Agreement and Schedules and Exhibits to this Agreement.

7.10 Time is of the Essence; Enforcement. Time is of the essence of this Agreement. Each of the parties hereto agrees that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties will be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which they are entitled at law or in equity.

7.11 Amendment; Waiver. This Agreement may be amended at any time by a writing signed by Purchaser and the Members' Representative, and any such amendment shall be binding on each of the parties hereto. Any waiver of any of the terms or conditions of this Agreement shall be in writing and shall be duly executed by or on behalf of the party to be charged with such waiver. Except as expressly set forth in this Agreement, the failure of a party to exercise any of its rights hereunder or to insist upon strict adherence to any term or condition hereof on any one occasion will not be construed as a waiver or deprive that party of the right thereafter to insist upon strict adherence to the terms and conditions of this Agreement at a later date. Further, no waiver of any of the terms and conditions of this Agreement will be deemed to or will constitute a waiver of any other term of condition hereof (whether or not similar).

7.12 Termination of Unit Restriction Agreements. By executing this Agreement, each Member that is party to a Unit Restriction Agreement with the Company (each, a “URA”) hereby acknowledges and agrees that effective as of the Closing, such URA is terminated and shall be of no further force and effect.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Purchaser, the Company, the Members and the Members' Representative have caused this Agreement to be executed and delivered by each of them or their respective officers, as an instrument under seal, all as of the date first written above.

PURCHASER:

TECHNE CORPORATION (SEAL)

By: /s/ Charles R. Kummeth

Name: Charles R. Kummeth

Title: Chief Executive Officer

COMPANY:

NOVUS HOLDINGS, LLC (SEAL)

By: /s/ Karen Padgett

Name: Karen Padgett

Title: President

MEMBERS' REPRESENTATIVE:

MAINSAIL PARTNERS II, L.P., solely in its capacity
as the Members' Representative (SEAL)

By: Mainsail GP II, LLC, its general partner

By: /s/ Gavin Turner

Name: Gavin Turner

Title: Managing Director

MEMBERS:

MAINSAIL PARTNERS II, L.P.

By Mainsail GP II, LLC, its general partner

By: /s/ Gavin Turner

Name: Gavin Turner

Title: Managing Director

MAINSAIL INCENTIVE PROGRAM, LLC

By Mainsail Management Company, LLC

By: /s/ Gavin Turner

Name: Gavin Turner

Title: Managing Director

NOVUS BIOLOGICALS, INC.

By: /s/ Karen Padgett

Name: Karen Padgett

Title President and CEO

/s/ Karen Padgett

Karen Padgett

/s/ Todd Padgett

Todd Padgett

/s/ Bryan Tinsley

Bryan Tinsley

/s/ Scott Osgood

Scott Osgood

/s/ Zach Kiebler

Zach Kiebler

/s/ Geoff Donaker

Geoff Donaker

/s/ David Eansor

David Eansor

/s/ Laurie Gilman

Laurie Gilman

/s/ Andrew Walker

Andrew Walker

EXHIBIT A
CERTAIN DEFINITIONS

For purposes of the Agreement (including this Exhibit A):

“Adjustment Amount” means the positive or negative number that is equal to the number that results from subtracting (i) the Baseline Working Capital, from (ii) the Closing Date Net Working Capital.

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, directly or indirectly controlled by, or under direct or indirect common control with, such Person or a member of such Person’s immediate family; or if such Person is a partnership, any general partner of such Person or a Person controlling any such general partner. For purposes of this definition, “control” (including “controlled by” and “under common control with”) means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities, by contract or otherwise.

“Agreement” has the meaning set forth in the introductory paragraph.

“Anti-Bribery Laws” has the meaning set forth in Section 2.26.

“Baseline Working Capital” means \$7,650,000.

“Board and Equity Documents” has the meaning set forth in Section 2.33.

“Business Day” means a day (a) other than Saturday or Sunday and (b) on which commercial banks are open for business in the State of Minnesota.

“Business Intellectual Property” means all Owned Intellectual Property and all Third Party Intellectual Property.

“Cap” has the meaning set forth in Section 6.1(e)(iii).

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations will be the capitalized amount thereof determined in accordance with GAAP.

“Claims” has the meaning set forth in Section 5.5(a).

“Closing” has the meaning set forth in Section 1.4.

“Closing Consideration Spreadsheet” has the meaning set forth in Section 1.5(a).

“Closing Date” has the meaning set forth in Section 1.4.

“Closing Date Balance Sheet” has the meaning defined in Section 1.6(b).

“Closing Date Net Working Capital” means, on the Closing Date, the sum of the consolidated current assets of the Company (excluding, for the avoidance of doubt, Company Cash), less the sum of the consolidated current liabilities of the Company, each determined in accordance with GAAP using the same methods, historical policies, practices, principles and procedures with consistent classifications, judgments and estimation methodologies used by the Company to prepare its most recent unaudited financial statements, subject to the following adjustments: the Company’s current liabilities (A) will exclude (to the extent otherwise included in the Company’s current liabilities) (1) all liabilities of the Company for income Taxes, (2) all liabilities of Imgenex for income Taxes, (3) all Company Debt set forth in the Closing Debt Certificate, (4) all Specified Transaction Expenses set forth in the Closing Expense Certificate, (5) all Company Change in Control Payments set forth in the Closing Consideration Spreadsheet, and (6) accrued Tax distributions to Members, and (B) will include any (1) Unpaid Company Debt, (2) Unpaid Specified Transaction Expenses and (3) Unpaid Company Change in Control Payments. A sample calculation of Closing Date Net Working Capital based on the Company Balance Sheet is attached hereto as Exhibit E.

“Closing Date Dispute Notice” has the meaning set forth in Section 1.6(c).

“Closing Date Statement” has the meaning set forth in Section 1.6(b).

“Closing Debt Certificate” has the meaning set forth in Section 1.3(a).

“Closing Expense Certificate” has the meaning set forth in Section 1.3(b).

“Code” means the Internal Revenue Code of 1986, as amended.

“Colorado Leased Real Property” has the meaning set forth in Section 2.21(c).

“Company” has the meaning set forth in the introductory paragraph.

“Company Balance Sheet” has the meaning set forth in Section 2.7.

“Company Balance Sheet Date” has the meaning set forth in Section 2.7.

“Company Cash” means the cash and cash equivalents of the Company and the Company Subsidiaries (plus the amount of all uncleared deposits of the Company and the Company Subsidiaries outstanding, and less the amount of all uncleared checks or withdrawals of the Company and its Subsidiaries outstanding), measured as of the Closing Date and determined in accordance with GAAP using the same methods, practices and principles used by the Company to prepare its most recent unaudited financial statements.

“Company Change in Control Payments” means any sale bonuses or other payments due and payable to employees, independent contractors, or directors of the Company or any Company Subsidiary under any Company Employee Plan or otherwise at the Closing of the transactions contemplated by this Agreement, including employment or payroll taxes payable in connection with the foregoing or any other transaction contemplated by this Agreement. In no event will any bonuses that become payable due to events that occurred after the Closing be considered Company Change in Control Payments.

“Company Debt” means all outstanding and unpaid Indebtedness of the Company and its Subsidiaries, determined as of the Closing Date.

“Company Disclosure Schedule” has the meaning set forth in Article 2.

“Company Employee” means any person employed by or providing services to the Company or any Company Subsidiary in the capacity of an employee, consultant, independent contractor, advisor, director or any similar capacity.

“Company Employee Plans” has the meaning set forth in Section 2.24(a).

“Company Financial Statements” has the meaning set forth in Section 2.7.

“Company Material Adverse Effect” means any change, event, development, circumstance or effect (each, an “Effect”) on the Company and the Company Subsidiaries, taken as a whole, that, individually or taken together with all other Effects is, or is reasonably likely to be, materially adverse to the overall financial condition, material assets (including intangible assets), liabilities (taken together), business (as currently contemplated by the Company and the Company Subsidiaries) or results of operations of the Company, taken as a whole, regardless of whether such Effect is durationally significant or would substantially threaten the Company’s and the Company Subsidiaries’ earnings power; provided, however, that none of the following will be deemed, either alone or in combination, to constitute, and none of the following will be taken into account in determining whether there has been or will be, a Company Material Adverse Effect: (a) any adverse effect (including any claim, litigation, reduction in revenues or income, disruption of business relationships or loss of employees) (i) directly attributable to the announcement or pendency of any of the transactions contemplated by this Agreement, or (ii) arising from, attributable to, or relating to the United States or foreign financial or securities markets or the United States or foreign economy in general or in the industry sectors in which the Company and the Company Subsidiaries operate in general (except that such conditions in this clause “(ii)” will be taken into account to the extent that they have adversely affected the businesses of the Company and the Company Subsidiaries to a substantially greater degree than they have affected the businesses of other comparable companies in the same industry sectors as the Company and the Company Subsidiaries); (b) the Specified Transaction Expenses; (c) the taking of any action reasonably required to cause compliance with the terms of this Agreement; (d) any breach by Purchaser of this Agreement or the Confidentiality Agreement; (e) the taking of any action by Purchaser or any of its Affiliates; (f) any change in accounting requirements or principles or any change in any Legal Requirement or the interpretation thereof (except that such conditions in this clause “(f)” will be taken into account to the extent they have adversely affected the businesses of the Company and the Company Subsidiaries to a substantially greater degree than they have affected the businesses of other comparable companies in the same industry

sectors as the Company and the Company Subsidiaries); (g) any failure of the Company to achieve any financial projections or budget; or (h) earthquakes, hostilities, acts of war, sabotage or terrorism or military actions or any escalation or material worsening of any such hostilities, acts of war, sabotage or terrorism or military actions (except that such conditions in this clause “(h)” will be taken into account to the extent they have adversely affected the businesses of the Company and the Company Subsidiaries to a substantially greater degree than they have affected the businesses of other comparable companies in the same industry sectors as the Company and the Company Subsidiaries).

“Company Plans” has the meaning set forth in Section 5.6(b).

“Company Subsidiaries” means Imgenex, Novus Biologicals, LLC, Novus Biologicals, LTD, Novus Canada International, LLC and Novus Biologicals Canada, ULC, and any other direct or indirect Subsidiaries of the Company.

“Confidentiality Agreement” has the meaning set forth in Section 5.1(b).

“Contaminants” has the meaning set forth in Section 2.14(q).

“Contingency Amount” has the meaning set forth in Section 1.3(d).

“Contingent Payments” means, collectively, the amounts to be paid to or on behalf of the Members in accordance with Section 1.6 and the Escrow Agreement.

“Controlling Party” has the meaning set forth in Section 5.2(d)(ii).

“Covenant Termination Date” has the meaning set forth in Section 6.1(a).

“Damages” as used in Section 6.1 means any damages, liabilities, losses, claims, settlements, deficiencies, actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable legal, expert and consultant fees and expenses, costs of investigation, defense and resolution, the cost of enforcing any right to indemnification hereunder (regardless of whether or not the same relate to any third-party claims) and the cost of pursuing any insurance providers, but for the avoidance of doubt, excluding lost profits, diminution in value, damages calculated based on a multiplier of revenue or EBITDA.

“Data Room” means the documents relating to the Company and its Subsidiaries and their business available for review by Purchaser or its Representatives on and as of the date of this Agreement in the virtual data site maintained on behalf of the Company.

“Deductible” has the meaning set forth in Section 6.1(e)(ii).

“Designated Firm” has the meaning set forth in Section 7.7.

“Designated Members” shall mean Karen Padgett and Todd Padgett.

“Dispute” has the meaning set forth in Section 7.7.

“Encumbrance” or “Encumbrances” in respect of any property or assets, means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by Legal Requirement, including any lien, mortgage, charge, pledge, security interest, assignment, lease, option, easement, servitude, right-of-way, conditional sales contract, encroachment, restrictive covenant, right of first refusal, right of use or any other right or claim of any kind or nature whatsoever (or any agreement to grant or furnish any of the foregoing) that affects ownership or possession of, or title to, or any interest in, or the right to use or occupy such property or assets.

“Environmental Laws” means any applicable, federal, state or local governmental laws (including common laws), statutes, ordinances, codes, regulations, rules, permits, licenses, certificates, approvals, judgments, decrees, orders, directives, or requirements that regulate the protection of the environment, protection of public health and safety, or protection of worker health and safety, or that regulate the handling, use, manufacturing, processing, storage, treatment, transportation, discharge, release, emission, disposal, re-use, or recycling of Hazardous Materials, including the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq., as amended (“CERCLA”), and the federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., as amended (“RCRA”).

“Environmental Permits” has the meaning set forth in Section 2.22(a).

“ERISA” has the meaning set forth in Section 2.24(a).

“Escrow Account” has the meaning set forth in Section 1.3(c).

“Escrow Agent” means JPMorgan Chase Bank, N.A.

“Escrow Agreement” has the meaning set forth in Section 1.3(c).

“Escrow Amount” means an amount equal to \$6,000,000.

“Estimated Adjustment Amount” has the meaning set forth in Section 1.6(b).

“Estimated Closing Date Net Working Capital” has the meaning set forth in Section 1.6(a).

“Estimated Closing Date Statement” has the meaning set forth in Section 1.6(a).

“Estimated Company Cash” has the meaning set forth in Section 1.6(a).

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Excluded Matters” has the meaning set forth in Section 6.1(e)(ii).

“FDA” has the meaning set forth in Section 2.18.

“Final Adjustment Amount” has the meaning set forth in Section 1.6(e).

“Final Closing Date Statement” has the meaning set forth in Section 1.6(e).

“Final Company Cash” has the meaning set forth in Section 1.6(e).

“FLSA” has the meaning set forth in Section 2.19(c).

“Foreign Benefit Plans” has the meaning set forth in Section 2.24(j).

“Fundamental Representations” has the meaning set forth in Section 6.1(a).

“GAAP” means United States generally accepted accounting principles as of the date hereof.

“Government Official” means any (a) officer, employee or other individual acting in an official capacity for a Governmental Authority or agency or instrumentality thereof (including any fully or partially state-owned or controlled enterprise, institution or healthcare facility), or any officer, employee or other individual acting in an official capacity for a public international organization or (b) political party or official thereof or any candidate for any political office.

“Governmental Authority” means any federal, state, local or foreign government or political subdivision or union thereof (including the European Union), or any department, agency or instrumentality or fully-owned or partially-owned enterprise of such government or political subdivision or union, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization, authority, department, agency or instrumentality have the force of law), or any arbitrator, court or tribunal of competent jurisdiction whose findings, rulings or determinations have the force of law.

“Hazardous Materials” means any material, chemical, compound, substance, mixture or by-product that is identified, defined, designated, listed, restricted or otherwise regulated under Environmental Laws as a “hazardous constituent,” “hazardous substance,” “hazardous material,” “acutely hazardous material,” “extremely hazardous material,” “hazardous waste,” “hazardous waste constituent,” “acutely hazardous waste,” “extremely hazardous waste,” “infectious waste,” “medical waste,” “biomedical waste,” “pollutant,” “toxic pollutant” or “contaminant.” The term “Hazardous Materials” includes any “hazardous substances,” as defined, listed, designated or regulated under CERCLA, any “hazardous wastes” or “solid wastes,” as defined, listed, designated or regulated under RCRA, any asbestos or asbestos containing materials any polychlorinated biphenyls, and any oil, including petroleum, fuel oil, sludge, oil refuse, and oil mixed with wastes or hydrocarbonic substance, fraction, distillate or by-product.

“Imgenex” has the meaning set forth in Section 1.9.

“Indebtedness” means, as of any date of determination, (without duplication) with respect to any Person, (a) all outstanding payment obligations of such Person for borrowed money or with respect to similar cash advances (including all obligations pursuant to any sale or financing of receivables); (b) all outstanding payment obligations of such Person evidenced by bonds, debentures, notes or similar instruments; (c) all outstanding payment obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person (even when the rights and remedies of such Person or lender under such agreement in the event of default are limited to repossession or sale of such property); (d) all outstanding payment obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable); (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Encumbrance on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed; (f) any direct or indirect guarantee by such Person of Indebtedness of others; (g) all Capital Lease Obligations of such Person; (h) all outstanding payment obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty (only to the extent drawn and to the extent of any availability charges outstanding); (i) all outstanding payment obligations, contingent or otherwise, of such Person in respect of any letter of credit, banker’s acceptance or similar credit transaction (only to the extent drawn and to the extent of any availability charges outstanding); (j) all outstanding payment obligations in respect of any swap, forward, cap, future, hedge or derivative transaction; (k) renewals, extensions and refundings of any such Indebtedness; and (l) any accrued interest associated with any such Indebtedness. The Indebtedness of any Person includes the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent that such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and, with respect to any contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; provided, however, that (i) the amount outstanding at any time of any Indebtedness issued with original issue discount is the principal amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP, and (ii) Indebtedness will not include any liability for Taxes. In no event shall Indebtedness include (A) any intercompany indebtedness; (B) any indebtedness arranged by the Purchaser or any of its Affiliates; or (C) any liability included in the calculation of working capital.

“Indemnification Claim Notice” has the meaning set forth in Section 6.1(a).

“Indemnified Person” or “Indemnified Persons” has the meaning set forth in Section 6.1(b).

“Independent Accounting Firm” means BDO USA, LLP.

“Intellectual Property” means all intellectual property and associated rights that may exist or be created under the laws of any jurisdiction in the world, including all of the following: (a) patents and patent applications (including provisional applications), including all divisionals, continuations, substitutions, continuations-in-part, re-examinations, re-issues, additions, inter partes reviews, post grant reviews, renewals, extensions, confirmations, registrations, any confirmation patent or registration patent or patent of addition based on any such patent, patent term extensions, and supplemental protection certificates or requests for continued examinations, foreign counterparts, and the like of any of the foregoing; (b) trademarks, service marks, trade dress, logos, trade names, design rights and other similar designations of source, whether registered or unregistered, and the goodwill associated therewith and registrations and applications for registration thereof; (c) works of authorship, copyrights and rights under copyrights, including moral rights, and any registrations and applications for registration thereof; (d) mask work rights and registrations and applications for registration thereof; (e) trade secrets and confidential information; (f) internet domain names, whether or not trademarks, registered by any authorized private registrar or Governmental Authority, web addresses, web pages, websites and URLs; (g) software and firmware, including source code, object code and database rights; and (h) any other proprietary rights recognized in any jurisdiction worldwide.

“Investor Members” means Mainsail Partners II, L.P. and Mainsail Incentive Program, LLC.

“IP Agreement” means all licenses, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue, permissions and other contracts (including any right to receive or obligation to pay royalties or any other consideration), whether written or oral, relating to Intellectual Property (other than agreements relating to commercially-available, non-customized off-the-shelf software that is (i) licensed solely in executable or object code form pursuant to a non-exclusive, internal use software license, (ii) not incorporated into any of the products or services of the Company or any Company Subsidiary, and (iii) is generally available on standard terms for less than \$5,000): (a) to which the Company or any of its Subsidiaries is a party; or (b) under which the Company or any of its Subsidiaries is a licensor or licensee.

“Knowledge of the Company” means the actual knowledge of Karen Padgett, Todd Padgett, Dave Eansor and Scott Osgood, and knowledge of such facts or matters such Persons would reasonably be expected to discover or become aware of after conducting a reasonable investigation within the Company and the Company Subsidiaries.

“Labor Laws” has the meaning set forth in Section 2.19(c).

“Lease” or **“Leases”** has the meaning set forth in Section 2.21(b)(i).

“Leased Real Property” means all leasehold or subleasehold estates and other rights to use or occupy any land, buildings, structures, improvements, fixtures or other interest in real property that the Company and the Company Subsidiaries possess and/or use.

“Legal Requirement” means any federal, state, foreign, local, municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Authority, in each case that has the force of law, and any orders, writs, injunctions, awards, judgments and decrees that have the force of law and are applicable to the Company or to any of its assets, properties or businesses.

“Material Contract” has the meaning set forth in Section 2.16(c).

“Material IP Agreement” has the meaning set forth in Section 2.14(b).

“Members’ Representative” has the meaning set forth in Section 1.11(a).

“Members” has the meaning set forth in the introductory paragraph.

“Non-Controlling Party” has the meaning set forth in Section 5.2(d)(ii).

“OFAC” has the meaning set forth in Section 2.29.

“OFAC Regulations” has the meaning set forth in Section 2.29.

“Open Source Software” means any Software that meets one or more of the following criteria: (a) has been distributed, contributed or otherwise transferred into the public domain, either voluntarily, involuntarily, by the operation of law or otherwise, (b) was formerly governed by intellectual property rights, all or some of which have been invalidated, terminated, expired, waived or otherwise lapsed, (c) is subject to, distributed, transmitted, licensed or otherwise made available under any so-called “public license,” “open source license,” “free license,” “industry standard license,” intellectual property pool license” or similar license, the intention of which is to permit the public use, modification, distribution, incorporation and/or exploitation of the Software without conveying an exclusive or proprietary interest in such licensed Software (although certain other conditions may be imposed by such license), or (d) subject to, distributed, transmitted, licensed or otherwise made available under any version of any of the following licenses: GNU General Public License, GNU Library or “Lesser” Public License, BSD license, MIT license, Mozilla Public License, IBM Public License, Apache Software License, Sun Industry Standards Source License, Intel Open Source License, Apple Public Source License, or any substantially similar license, or any license that has been approved by the Open Source Initiative.

“Organizational Documents” means the articles or certificate of incorporation or organization, bylaws, limited liability company agreement, partnership agreement or other governing documents of an entity.

“Owned Intellectual Property” means all Intellectual Property owned by the Company or any Company Subsidiary.

“Permits” has the meaning set forth in Section 2.6.

“Permitted Encumbrances” has the meaning set forth in Section 2.20.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, business entity or a Governmental Authority (or any department, agency, or political subdivision thereof).

“Personal Data” means a natural person’s first and last name, in combination with a (i) social security number or tax identification number, or (ii) credit card number, bank account information and other financial account information, or financial customer or account numbers, account access codes and passwords.

“Pre-Closing Tax Period” means any Tax period ending on or before the Closing Date and with respect to any Straddle Period, all Taxes that relate to the portion of such Straddle Period ending on and including the Closing Date.

“Prior Service” has the meaning set forth in Section 5.6(b).

“Privacy Agreements” has the meaning set forth in Section 2.14(k).

“Pro Rata Portion” means, with respect to a Member, as set forth in Schedule 1 hereto.

“Product Liability” means any liability, claim or expense (including attorneys’ fees) arising in whole or in part out of a breach of any product warranty (whether express or implied), strict liability in tort, negligent design, specification, processing or manufacture of product, negligent provision of services, product recall, or any other liability, claim or expense arising from the manufacturing, packaging, labeling (including instructions for use), marketing, distribution or sale of products (whether for clinical trial purposes, commercial use or otherwise).

“Protected Member Communications” has the meaning set forth in Section 7.7.

“Purchase Price” has the meaning set forth in Section 1.2.

“Purchaser” has the meaning set forth in the introductory paragraph.

“Purchaser Material Adverse Effect” has the meaning set forth in Section 4.3.

“Purchaser’s Plans” has the meaning set forth in Section 5.6(b).

“Registered Intellectual Property” has the meaning set forth in Section 2.14(a).

“Released Claims” has the meaning set forth in Section 5.5(a).

“Releasees” has the meaning set forth in Section 5.5(a).

“Releasers” has the meaning set forth in Section 5.5(a).

“Representation Termination Date” has the meaning set forth in Section 6.1(a).

“Representatives” means, with respect to a Person, such Person’s legal, financial, internal and independent accounting and other advisors and representatives.

“Requisite Members” has the meaning set forth in Section 1.11(c).

“Restricted Business” has the meaning set forth in Section 5.4(a).

“Restricted Period” has the meaning set forth in Section 5.4(a).

“Sanctions Target” has the meaning set forth in Section 2.29.

“SEC” means the United States Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Software” means all computer databases, computer software and subsequent versions thereof, including firmware, programs, modules, source code, object, executable or binary code, objects, comments, screens, user interfaces, libraries, drivers, report formats, templates, menus, buttons and icons and all files, data, materials, manuals, design notes and all other items and documentation related thereto or associated therewith, and portions thereof, including computer programs, materials, tapes, know-how, processes and other written materials.

“Specified Transaction Expenses” means all expenses incurred by or on behalf of the Company or any Company Subsidiary in connection with the transactions contemplated hereby, but only to the extent incurred prior to the Closing (whether payable prior to or after the Closing), including the following: (a) legal, accounting, tax, financial advisory, valuation expert, environmental consultants and other professional or transaction related costs, fees and expenses incurred by the Company or any Company Subsidiary in connection with this Agreement or in investigating, pursuing or completing the transactions contemplated hereby (including any amounts owed to any consultants, auditors, accountants, attorneys, brokers or investment bankers); and (b) payments made in order to obtain any consents or approvals in connection with the transactions contemplated by this Agreement.

“Straddle Period” means any taxable period commencing on or prior to the Closing Date and ending after the Closing Date.

“Subsidiary” or “Subsidiaries” means an entity in which at least 50% of its outstanding equity or financial interests are owned directly, indirectly or beneficially by another entity.

“Tax” or “Taxes” means any federal, state, local, or non-U.S. foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, equity or membership interest, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto.

“Tax Contest” has the meaning set forth in Section 5.2(d)(i).

“Tax Return” means any return, declaration, report, claim for refund, information statement or report or other document filed or required to be filed with a Governmental Authority with respect to Taxes (including any related or supporting schedules, statements or information).

“Third Party Claim” has the meaning set forth in Section 6.1(f).

“Third Party Intellectual Property” means all Intellectual Property that is owned by a party other than the Company or a Company Subsidiary and that the Company or a Company Subsidiary is authorized to use by a license, sublicense or other agreement with such party.

“Unit Purchase” has the meaning set forth in the Recitals.

“Units” means, collectively, the Class P Units, the Class F Units and the Class M Units of the Company, as described in the Amended and Restated Limited Liability Company Agreement of the Company, as amended.

“Unpaid Company Change in Control Payments” means Company Change in Control Payments not set forth in the Closing Consideration Spreadsheet.

“Unpaid Company Debt” means Company Debt unpaid and outstanding at the Closing and not set forth in the Closing Debt Certificate.

“Unpaid Specified Transaction Expenses” means Specified Transaction Expenses unpaid and outstanding at the Closing and not set forth in the Closing Expense Certificate.

“URA” shall have the meaning set forth in Section 7.12.

“WARN” has the meaning set forth in Section 2.19(c).

Pursuant to Item 601(b)(2) of Regulation S-K, the following Exhibits and Schedules have been omitted and will be furnished supplementally to the SEC upon request:

Exhibit B:	Escrow Agreement
Exhibit C:	Closing Consideration Spreadsheet
Exhibit D-1:	Form of Employment Agreement
Exhibit D-2:	Form of Consulting Agreement
Exhibit E:	Sample Closing Date Net Working Capital Calculation
Exhibit G:	Agreement of Option Holder
Exhibit H:	Agreement of Warrant Holder

Schedule 1.9	Purchase Price Allocation
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Schedule 1.10	Closing Deliverables
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Disclosure Schedule

EMPLOYMENT AND NONCOMPETITION AGREEMENT

EFFECTIVE DATE: July 2, 2014

PARTIES: Techne Corporation *"Company"*
 614 McKinley Place N.E.
 Minneapolis, Minnesota 55413

David Eansor *"Employee"*

RECITALS:

A. Contemporaneously with the execution of this Employment and Noncompetition Agreement ("Agreement"), the Company entered into a Unit Purchase Agreement with Novus Holdings LLC and its members on July 1, 2014 (the "UPA") pursuant to which the Company purchased all of the issued and outstanding equity of Novus Holdings, LLC held by the members.

B. Employee was an employee of Novus Biologicals, LLC with a written employment agreement dated as of November 28, 2012 (the "Novus Employment Agreement").

C. The Novus Employment Agreement is terminated effective as of July 1, 2014.

D. In connection with the transaction contemplated by the UPA, the Company desires to retain the services of Employee, and Employee is willing to provide services to the Company, upon the terms and conditions set forth herein.

AGREEMENTS:**ARTICLE 1.****TERM OF EMPLOYMENT AND DUTIES**

1.1) Parties. The parties to this Agreement are Employee and the Company. As used herein, "Company" refers to Techne Corporation d/b/a Bio-Techne, and its subsidiaries including, but not limited to, Research and Diagnostic Systems, Inc. ("R&D"), unless specifically provided otherwise. All of the rights and obligations created by this Agreement may be performed by or enforced by or against Techne or R&D or other appropriate subsidiary.

1.2) Term of Employment. Conditioned on satisfactory results of a background check and Employee's ability to establish that he is authorized to accept employment as required under the employment eligibility verification provisions of the Immigration Reform and Control Act, the Company hereby agrees to employ Employee effective as of the date hereof and continuing for an initial term of three (3) years ("Initial Term"), unless earlier terminated as provided in Article 7 hereof. This Agreement shall automatically renew for additional one (1) year terms (each, a "Renewal Term") unless either Employee or the Company delivers written notice to the other at least sixty (60) days prior to the expiration of the Initial Term or the Renewal Term, as the case may be, of the intent to terminate the Agreement. The Initial Term and the Renewal Term are hereinafter referred to as the "Term."

1.3) Duties and Supervision. Employee is being employed in the position of Senior Vice President, Novus Biologicals, with his principal location being 8100 Southpark Way, A-8, Littleton, Colorado 80120, with required periodic travel to the Company's Minneapolis, Minnesota location. Employee shall be responsible for the day-to-day management of Novus Biologicals to include, but not be limited to, finance, human resources, and sales, and for planning, managing and overseeing manufacturing, packaging, quality control, quality assurance and the shipping activities of existing and new products, and will have such other duties and responsibilities as may be assigned to him from time-to-time by the Company. Employee shall report directly to Chuck Kummeth, Chief Executive Officer of the Company. Employee agrees to devote his full time and best efforts to the business and affairs of Novus Biologicals, and to use his best efforts to promote the interests of Novus Biologicals.

ARTICLE 2. COMPENSATION

2.1) Salary. As compensation for his services to the Company and as compensation for his confidentiality, nonsolicitation, noncompetition and other agreements provided in Sections 4, 5 and 6 of this Agreement, subject to the provisions for termination contained in this Agreement at Section 1.2, Article 7 and/or elsewhere, the Company will pay Employee initial bi-weekly compensation of Twelve Thousand, Five Hundred and 00/100 Dollars (\$12,500.00), for an annualized base salary of Three Hundred Twenty-five Thousand and 00/100 Dollars (\$325,000.00) (hereinafter "Base Annual Salary"). Such Base Annual Salary will be paid in accordance with the usual payroll practices of the Company.

2.2) Management Incentive Plan. Subject to the provisions for termination contained in this Agreement at Section 1.2, Article 7 and/or elsewhere, Employee will be eligible to participate in the Company's Management Incentive Plan ("MIP") in accordance with its terms and conditions as determined by the Board of Directors or its Executive Compensation Committee from time to time. At Employee's current service level, the Management Incentive Plan currently provides for the grant of a non-qualified stock option to purchase 15,000 shares of the Company's common stock and, if annual objectives are met, a target cash bonus of 25% of Employee's Base Annual Salary, payable annually following receipt of the Company's final audit report. The stock options will have a seven-year term and will vest one-fourth on each of the first, second, third and fourth anniversaries of the date of grant. These options will have an exercise price equal to the closing price of Techne's shares on the date of grant.

2.3) Restricted Stock Units. Upon commencement of employment under Section 1.2 of this Agreement, the Company will grant Employee 5,000 Techne Restricted Stock Units ("RSU's") with a three-year vesting schedule.

2.4) Paid Vacation. Employee will receive paid vacation of four weeks per calendar year, prorated for partial years of service, to be taken at such times as selected by Employee and approved by the CEO and/or his designee. Carryover, forfeiture or payout of unused vacation time from period to period or upon termination of employment shall be in accordance with the Company's policies that may be in effect from time to time.

2.5) Employee Benefits. Employee shall be entitled to participate in employee benefit plans from time-to-time established by the Company and made available generally to all employees to the extent that Employee's age, tenure and title make him eligible to receive those benefits provided that the Company will pay the entire premium cost for Employee to participate in any medical, dental, short-term disability, and/or long-term disability benefits offered by the Company. With regard to all insured benefits to be provided to Employee, benefits shall be subject to due application by Employee. The Company has no obligation to pay insured benefits directly to Employee and such benefits are payable to Employee only by the insurers in accordance with their policies. Notwithstanding anything in this Section 2.3 to the contrary, Company shall not be obligated to engage or maintain any employee benefit plan providers previously or currently retained by Novus Biologicals LLC.

**ARTICLE 3.
PAYMENT OF CERTAIN EXPENSES**

3.1) Business Expenses. In order to enable Employee to better perform the services required of him hereunder, the Company shall pay or reimburse Employee for business expenses in accordance with policies to be determined from time to time by the Board of Directors and/or its designee. Employee agrees to submit documentation of such expenses as may be reasonably required by the Company.

**ARTICLE 4.
PROTECTION OF TRADE SECRETS AND CONFIDENTIAL INFORMATION**

4.1) Definition of Confidential Information. For purposes of this Agreement, "Confidential Information" means any information proprietary to the Company and not generally known to the public and includes, without limitation, trade secrets, inventions, and information pertaining to the research, development, purchasing, marketing, selling, accounting, licensing, business systems, business techniques, customer lists, prospective customer lists, price lists, business strategies and plans, pending patentable materials and/or designs, design documentation, documentation of meetings, tests, and/or test standards, manuals, or other information proprietary to the Company and not generally known to the public and concerning the Company's business that is of commercial value to the Company, whether written or oral, or in document, electronic, computer, or other form. For example, Confidential Information may be contained in the Company's customer lists, prospective customer lists, the particular needs and requirements of customers or prospective customers, and the identity of customers or prospective customers. Information shall be treated as Confidential Information irrespective of its source and any information which is labeled or marked as being "confidential" or a "trade secret" shall be presumed to be Confidential Information.

4.2) Maintain in Confidence. Employee acknowledges that from time-to-time during his employment with the Company, Employee will gain access to Confidential Information.

Employee shall hold such Confidential Information, including trade secrets and/or data, in the strictest confidence, and shall at no time, without prior written consent of the Company, directly or indirectly disclose, assign, transfer, or convey such information, or communicate such information to others or use it for the Employee's own or another's benefit. Without the prior written consent of the Company, Employee shall not communicate Confidential Information to a competitor of the Company or any other person or entity, including, but not limited to, the press, other professionals, corporations, partnerships, or the public, at any time during the Employee's employment with the Company or at any time after his termination of employment with the Company, regardless of the reason for the Employee's termination, whether voluntary or involuntary. Employee further promises and agrees that he will faithfully abide by any rules, policies, practices or procedures existing or which may be established by the Company for insuring the confidentiality of the Confidential Information, including, but not limited to, rules, policies, practices, or procedures:

- (a) limiting access to authorized personnel;
- (b) limiting copying of any writing, data or recording;
- (c) requiring storage of property, documents or data in secure facilities provided by the Company and limiting safe or vault lock combinations or keys to authorized personnel; and/or
- (d) checkout and return or other procedures promulgated by the Company from time to time.

4.3) Return of Information. Upon termination of Employee's employment with the Company for any reason, whether voluntary or involuntary, or at any time upon the Company's request, Employee will return to the Company any and all written or otherwise recorded form of all Confidential Information (and any copies thereof) in his possession, custody, or control, including, but not limited to, notebooks, memoranda, specifications, customer lists, prospective or potential customer lists, or price lists. Employee will not take with him, upon leaving the Company's place of business or employment with the Company, any such documents, data, writings, recordings, or reproduction in any form which may have been entrusted to or obtained by him during the course of his employment or to which he had access, possession, custody, or control, except with the Company's express written permission. In the event of termination of Employee's employment, whether voluntary or involuntary, or at any time upon the Company's request, Employee will deliver to the Company all Confidential Information in recorded form in his possession, custody, or control, and shall also deliver any and all property, devices, parts, mock-ups, and finished or unfinished machinery or equipment in his possession, custody, or control which belongs to the Company. Employee shall also deliver, upon termination of his employment, whether voluntary or involuntary, or at any time upon the Company's request, all records, drawings, blueprints, notes, notebooks, memoranda, specifications, and documents, in any form, which contain Confidential Information. In addition, if Employee has used any personal computer, server, smartphone, cell phone, iphone, ipad, email system or other personal electronic device to receive, store, review, prepare or transmit any Company information, including but not limited to Confidential information, Employee agrees to provide the Company with a computer-

useable copy of all such Confidential Information and then permanently delete and expunge such Confidential Information from those systems, and further agrees to provide the Company access to his system(s) as reasonably requested to verify that the necessary copying and/or deletion is completed. Employee further agrees that any property situated on Company's premises and owned by Company is subject to inspection by Company's personnel at any time with or without notice.

ARTICLE 5.
COVENANT NOT TO COMPETE

5.1) Noncompetition and Nonsolicitation. In exchange for the Company's covenants under this Agreement, Employee expressly agrees that, during his employment with the Company and for a period of two (2) years following termination of his employment with the Company for any reason, whether voluntary or involuntary, Employee shall not (except on behalf of the Company), directly or indirectly, acting on behalf of himself or any other person, without the prior written consent of the Company:

(a) own, manage, operate, control, be employed by, consult for, participate in, or provide products or services of any kind to, any business, entity, or person that is in competition with the Company or markets, sells, or provides products or services that are the same as or similar to, or compete with, products or services offered by the Company at the time;

(b) render any services, advice, or counsel, as an owner, employee, representative, agent, independent contractor, consultant, or in any other capacity, for any third party, if the rendering of such services, advice, or counsel involves, may involve, requires, or is likely to result in the use or disclosure by Employee of any Confidential Information;

(c) solicit, contact, take away, or interfere with, or attempt to solicit, contact, take away, or interfere with, any of the Company's customers or potential customers with whom Employee (or other employees of Company under Employee's supervision) had contact during the one (1) year period immediately preceding Employee's termination date, for the purpose of offering to provide or providing them with any products or services that are the same as or similar to, or compete with, products or services offered by the Company at the time;

(d) solicit, contact, take away, or interfere with, or attempt to solicit, contact, take away, or interfere with, any of the Company's employees (working with the Company at that time or at any time in the one (1) year prior to Employee's termination date) for the purpose of hiring them as an employee, contractor, or consultant, or inducing them to leave their employment with the Company; or

(e) solicit, contact, take away, or interfere with, or attempt to solicit, contact, take away, or interfere with, any of the Company's suppliers or vendors (at that time or at any time in the one (1) year prior to Employee's termination date) for the purpose of inducing them to end or alter their relationship with the Company.

5.2) Understandings. Employee acknowledges and agrees that the Company informed him, as part of the offer of employment and prior to his accepting employment with the Company under the terms and conditions set forth in this Agreement, that noncompetition and nonsolicitation agreements would be required as part of the terms and conditions of his employment with the Company; that he has carefully considered the restrictions contained in this Agreement and determined that they are reasonable; that he signed and returned this Agreement to the Company prior to commencing his duties and responsibilities of employment under the terms of this Agreement; that the restrictions in this Agreement will not unduly restrict him in securing other suitable employment in the event of his termination from the Company; and that employment under the terms of this Agreement amounts to valuable consideration, to which Employee would not otherwise be entitled, to support enforcement of the restrictive covenants contained in this Agreement.

ARTICLE 6. INVENTIONS

6.1) Definition of Invention. For purposes of this Agreement, the term “*Invention*” means ideas, discoveries, and improvements, whether or not shown or described in writing or reduced to practice, and whether patentable or not, relating to any of the Company’s present or future sales, research, or other business activities, or reasonably foreseeable business interests of the Company.

6.2) Disclosure. Employee shall promptly and fully disclose to the Company and will hold in trust for the Company’s sole right and benefit, any Invention which the Employee, during the period of his employment, makes, conceives, or reduces to practice or causes to be made, conceived, or reduced to practice, either alone or in conjunction with others that:

- (a) relates to any subject matter pertaining to Employee’s employment;
- (b) relates to or is directly or indirectly connected with the business, products, projects, or Confidential Information of the Company; or
- (c) involves the use of any time, material, or facility of the Company.

6.3) Work-For-Hire; Assignment of Ownership. Employee acknowledges that, by reason of being employed by the Company at the relevant times, to the extent permitted by law, all of the Inventions consisting of copyrightable subject matter shall be deemed “work made for hire” as defined in 17 U.S.C. § 101, in which copyrights are therefore owned by the Company. In addition, Employee hereby assigns to the Company all of Employee’s right, title, and interest in and to all Inventions described in Section 6.1, and, upon the Company’s request, Employee shall execute, verify, and deliver to the Company such documents including, without limitation, assignments and applications for patents, and shall perform such other acts, including, without limitation, appearing as a witness in any action brought in connection with this Agreement that is necessary to enable the Company to obtain the sole right, title, and benefit to all such Inventions.

6.4) Excluded Inventions. Employee is hereby notified that the above agreement to assign Inventions to the Company does not apply to any invention for which no equipment, supplies, facility, or Confidential Information of the Company was used, and which was developed entirely on Employee's own time, and (a) which does not relate (i) directly to the businesses of the Company or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) which does not result from any work performed by Employee for the Company.

6.5) Prior Inventions. Attached to this Agreement and initialed by both parties is a list of all of the Inventions, by description, if any, in which Employee possesses any right, title, or interest prior to commencement of his employment with the Company, which are not subject to the terms of this Agreement.

ARTICLE 7. TERMINATION

7.1) Events of Termination. Employee's employment shall terminate as follows:

- (a) By mutual written agreement of the parties.
- (b) By Employee or the Company upon written notice to the other.
- (c) By the Company for Cause. For purposes of this Agreement, "Cause" means (i) material nonperformance of Employee's duties and responsibilities hereunder for reasons other than disability; (ii) commission of acts chargeable as a felony or other lesser crime having as its predicate element fraud, dishonesty, or misappropriation of the Company's property; and (iii) willful violation of any provision of Articles 4, 5 and 6 hereof.
- (d) Upon the death of Employee.
- (e) Upon the occurrence of physical or mental disability of Employee to such an extent that Employee is unable to carry on the essential functions of Employee's position, with or without reasonable accommodation, and such inability continues for a period of three months or such other period as may be required by applicable law. Nothing in this paragraph (e) shall limit the right of either Party to terminate Employee's employment under one of the other provisions of this Section 7.1.

7.2) Payment Upon Termination for Change in Control. If there is a Change in Control, as defined below, and Employee's employment is terminated upon consummation of such Change in Control and Employee has less than twelve (12) months of employment before the expiration of the then current Term, Employee will be paid an amount equal to one (1) year of his then-current Base Annual Salary (hereinafter referred to as the "CIC Severance

Payment”); provided, however, that Employee shall be entitled to the CIC Severance Payment set forth in this Section 7.2 only if he executes, does not rescind, and fully complies with a release agreement in a form supplied by the Company, which will include, but not be limited to, a comprehensive release of claims against the Company and all of its subsidiaries and related companies and its/their directors, officers, employees and all related parties, in their official and individual capacities; provided, however, that the release will not include amounts owed under any deferred compensation program or any worker’s compensation claims. “Change in Control” shall mean the occurrence, in a single transaction or in a series of related transactions, of any one or more of the events in subsections (a) through (c) below. For purposes of this definition, a person, entity or group shall be deemed to “Own,” to have “Owned,” to be the “Owner” of, or to have acquired “Ownership” of securities if such person, entity or group directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

- (a) Any person, entity or group becomes the Owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company’s then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur (i) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other person, entity or group from the Company in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities or (B) solely because the level of Ownership held by any person, entity or group (the “Subject Person”) exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control shall be deemed to occur;
- (b) There is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (i) outstanding voting securities representing more than fifty percent (50%) of the combined outstanding voting power of the surviving entity in such merger, consolidation or similar transaction or (ii) more than fifty percent (50%) of the combined outstanding voting power of the parent of the surviving entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction; or

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- (c) There is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the total gross value of the consolidated assets of the Company and its subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of total gross value of the consolidated assets of the Company and its subsidiaries to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition (for purposes of this section, "gross value" means the value of the assets of the Company or the value of the assets being disposed of, as the case may be, determined without regard to any liabilities associated with such assets).

For the avoidance of doubt, the term Change in Control shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company. To the extent required, the determination of whether a Change in Control has occurred shall be made in accordance with Internal Revenue Code Section 409A and the regulations, notices and other guidance of general applicability issued thereunder.

If termination occurs for any reason other than as specified in this Paragraph 7.2, Employee shall not be entitled to any severance pay or benefits and all compensation and benefits shall terminate as of the termination date.

7.3) Payment Upon Certain Terminations. Upon (i) termination of Employee's employment other than by the Company for Cause as defined in Section 7.1(c) or upon Employee's death or disability as provided in Sections 7.1(d) and (e), or (ii) Employee's resignation for Good Reason, as defined below, Employee will be paid an amount equal to one (1) year of his then-current base annual salary (but not any cash or incentive bonus) (hereinafter referred to as the "Termination Severance Payment"); provided, however, that Employee shall be entitled to the Termination Severance Payment set forth in this Section 7.3 only if he executes, does not rescind, and fully complies with a release agreement in a form supplied by the Company, which will include, but not be limited to, a comprehensive release of claims against the Company and its directors, officers, employees and all related parties, in their official and individual capacities; provided, however, that the release will not include amounts owed under any deferred compensation program or any worker's compensation claims. As used in this Agreement, "Good Reason" means a good faith determination by Employee that any one or more of the following events have occurred; provided, however, that such event shall not constitute "Good Reason" if Employee has expressly consented to such event in writing or if Employee fails to provide written notice of his decision to terminate within sixty (60) calendar days of the occurrence of such event:

- A. A change in Employee's reporting responsibilities, titles or offices, or any removal of Employee from any of such positions, which has the effect of diminishing Employee's responsibility or authority;
- B. A material reduction by the Company in Employee's total compensation from that provided to him under this Agreement;
- C. A requirement imposed by the Company on Employee that results in Employee being based at a location that is outside a fifty (50) mile radius of the Company; or
- D. The existence of physical working conditions or requirements that a reasonable person in Employee's position would find to be intolerable; provided, however, that the Company has received written notice of such "intolerable" conditions and the Company has failed within thirty (30) calendar days after receipt of such notice to cure or otherwise appropriately address such "intolerable" conditions. Termination for "Good Reason" shall not include Employee's termination as a result of death, disability, retirement or a termination for any reason other than the events specified in clauses (A) through (D) in this Section 7.3.

7.4) Timing of Cash Severance Payment. Any cash payments pursuant to Section 7.2 or 7.3 will be paid to Employee monthly over the course of a one-year period beginning after expiration of any applicable rescission periods set forth in the required release agreement; provided, however, that notwithstanding anything in this Agreement to the contrary, if any of the payments described in Section 7.2 or 7.3 are subject to the requirements of Code Section 409A and the Company determines that Employee is a "specified employee" as defined in Code Section 409A as of the date of Employee's termination of employment, such payments will not be paid or commence earlier than the first day of the seventh month following the date of Employee's termination of employment and on such date any amounts that would have been paid during the first six months following the termination but for operation of this proviso will be paid in one lump sum with the remaining payments made monthly over the remainder of the specified one-year period. In addition, all payments made to Employee pursuant to Section 7.2 or 7.3 will be reduced by amounts (A) required to be withheld in accordance with federal, state and local laws and regulations in effect at the time of payment, or (B) owed to the Company by Employee for any amounts advanced, loaned or misappropriated. Such offset will be made in the manner permitted by and will be subject to the limitations of all applicable laws, including but not limited to Code Section 409A, and the regulations, notices and other guidance of general applicability issued thereunder.

7.5) No Other Payments. Except as provided in Section 7.2 and 7.3, including but not limited to if Employee is terminated with Cause or voluntarily terminates his employment at any time without Good Reason, Employee will not be entitled to any compensation or benefits other than that which was due to him as of the date of termination, regardless of any claim by Employee for compensation, salary, bonus, severance benefits or other payments.

7.6) Records and Files. Upon the termination of Employee's employment, possession of each corporate file and record shall be retained by the Company, and Employee or his heirs, assigns and legal representatives shall have no right whatsoever in any such material, information or property.

ARTICLE 8. ARBITRATION

8.1) Arbitration. Except for any actions related to Employee's obligations under Articles 4, 5 and/or 6 of this Agreement, any dispute arising out of or relating to (a) this Agreement or the alleged breach of it, or the making of this Agreement, including claims of fraud in the inducement, or (b) Employee's employment and/or termination of employment with Company including, but not limited to, any and all disputes, claims or controversies relating to discrimination, harassment, retaliation, wrongful discharge, and any and all other claims of any type under any federal or state constitution or any federal, state, or local statutory or common law shall be discussed between the disputing parties in a good faith effort to arrive at a mutual settlement of any such controversy. If, notwithstanding, such dispute cannot be resolved, such dispute shall be settled by binding arbitration. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall be a retired state or federal judge or an attorney who has practiced securities or business litigation for at least 10 years. If the parties cannot agree on an arbitrator within 20 calendar days, any party may request that the chief judge of the District Court for Hennepin County, Minnesota, select an arbitrator. Arbitration will be conducted pursuant to the provisions of this Agreement, and the commercial arbitration rules of the American Arbitration Association, unless such rules are inconsistent with the provisions of this Agreement, but without submission of the dispute to such Association. Limited civil discovery shall be permitted for the production of documents and taking of depositions. Unresolved discovery disputes may be brought to the attention of the arbitrator who may dispose of such dispute. The arbitrator shall have the authority to award any remedy or relief that a court of this state could order or grant; provided, however, that punitive or exemplary damages shall not be awarded. The arbitrator may award to the prevailing party, if any, as determined by the arbitrator, all of its costs and fees, including the arbitrator's fees, administrative fees, travel expenses, out-of-pocket expenses and reasonable attorneys' fees. Unless otherwise agreed by the parties, the place of any arbitration proceedings shall be Hennepin County, Minnesota. This agreement to arbitrate does not include worker's compensation claims, claims for unemployment compensation, or any injunctive or other relief to which the Company may be entitled in accordance with Section 9.3 hereof.

ARTICLE 9. MISCELLANEOUS

9.1) Governing Law and Forum. The validity, enforceability, construction and interpretation of this Agreement shall be governed by the laws of the State of Minnesota. The Company and Employee hereby consent to the exclusive jurisdiction for any claims under this Agreement in Hennepin County District Court or the United States District Court for Minnesota.

9.2) Severability. If any term of this Agreement is deemed unenforceable, void, voidable, or illegal, such unenforceable, void, voidable, or illegal term shall be deemed severable

from all other terms of this Agreement, which shall continue in full force and effect and the Company and Employee expressly acknowledge that a court of competent jurisdiction may, at the Company's request, modify and thereafter enforce any of the terms, conditions, and covenants contained in this Agreement.

9.3) Certain Remedies. The parties acknowledge and agree that the Company will suffer irreparable harm if Employee breaches any of the covenants in Articles 4, 5 and/or 6 hereof. Accordingly, the Company shall be entitled, in addition to any other right and remedy it may have, at law or equity, to a temporary restraining order and/or injunction, without the posting of bond or other security, enjoining or restraining Employee from any violation of such Articles, and Employee hereby consents to the Company's right to seek the issuance of such injunction. The prevailing party in any such litigation shall be entitled to recover reasonable attorneys' fees, costs and expenses incurred therein. The Company and Employee hereby specifically waive any right to a jury trial that may apply to the recovery of reasonable attorneys' fees and other costs and expenses.

9.4) Survival. The parties agree that Articles 4, 5, 6 and 9 hereof shall survive termination of this Agreement and termination of Employee's employment for any reason.

9.5) Notification of Restrictive Covenants. Employee authorizes the Company to notify third parties (including, but not limited to, the Company's clients and competitors) of the terms of Articles 4, 5 and 6 hereof and Employee's responsibilities hereunder.

9.6) Modifications. This Agreement may not be changed or terminated orally. Except as provided in Section 9.9 hereof, no modification, termination, or attempted waiver of any of the provisions of this Agreement shall be valid unless in writing signed by the party against whom the same is sought to be enforced.

9.7) Waiver. The waiver by any party of the breach or nonperformance of any provision of this Agreement by the other party will not operate or be construed as a waiver of any future breach or nonperformance under any provision of this Agreement or any similar agreement with any other employee.

9.8) Notices. Any and all notices referred to herein shall be deemed properly given only if in writing and delivered personally or sent postage prepaid, by certified mail, return receipt requested, as follows:

- (a) To the Company by notice to the CEO at the following address:

Charles Kummeth, CEO
Techne Corporation
614 McKinley Place NE
Minneapolis, MN 55413

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- (b) To Employee at his home address as it then appears on the records of the Company, it being the duty of Employee to keep the Company informed of his current home address at all times.

The date on which notice to the Company or Employee shall be deemed to have been given if mailed as provided above shall be the date on the certified mail return receipt. Personal delivery to Employee shall be deemed to have occurred on the date notice was delivered to Employee personally, or deposited in a mail box or slot at Employee's residence by a representative of the Company or any messenger or delivery service.

9.9) Code Section 409A. Notwithstanding anything in this Agreement to the contrary, if the severance payment described in this Agreement is subject to the requirements of Section 409A of the Internal Revenue Code (the "Code"), and if the Company determines that Employee is a "specified employee" as defined in Code Section 409A as of the date of Employee's termination of employment (which will have the same meaning as "separation from service" as defined in Code Section 409A), such payment shall not be paid or commence earlier than the first day of the seventh month following the date of Employee's termination of employment. In addition, notwithstanding anything in this Agreement to the contrary, the Company expressly reserves the right to amend this Agreement without Employee's consent to the extent necessary to comply with Code Section 409A, as it may be amended from time to time, and the regulations, notices and other guidance of general applicability issued thereunder. Notwithstanding the foregoing, Employee understands and agrees that the Company shall have no obligation to reimburse him for any income, employment or excise tax imposed on Employee by Code Section 409A in relation to any severance payment or otherwise.

9.10) Binding Effect. The breach by the Company of any other agreement or instrument between the Company and Employee shall not excuse or waive Employee's performance under, or compliance with, this Agreement. This Agreement shall be assignable by the Company and shall be binding upon and inure to the benefit of Company, its successors and assigns. The rights of Employee hereunder are personal and may not be assigned or transferred except as may be agreed to in writing by the Company.

9.11) Entire Agreement. This Agreement supersedes all prior agreements and understandings between the parties relating to the employment of Employee by the Company or Novus Biologicals, LLC, whether oral or written, including but not limited to the Employment Agreement between Employee and Novus Biologicals, LLC dated November 28, 2012 (the "Novus Employment Agreement"). Without limiting the generality of the foregoing, by entering into this Agreement, Employee specifically releases and waives any right to any severance or other benefits to which he might have been entitled under the Novus Employment Agreement.

9.12) Counterparts. More than one counterpart of this Agreement may be executed by the parties hereto, and each fully executed counterpart shall be deemed an original.

IN WITNESS WHEREOF, the parties have executed this Agreement and caused it to be effective as of the day and year first above written.

TECHNE CORPORATION

By: /s/ Charles R. Kummeth

Name: Charles R. Kummeth

Title: Chief Executive Officer

EMPLOYEE

/s/ David Eansor

David Eansor

[Signature Page to Eansor Employment and Noncompetition Agreement]

TECHNE CORPORATION
FORM OF INDEMNIFICATION AGREEMENT

THIS AGREEMENT ("Agreement"), which provides for indemnification, expense advancement and other rights under the terms and conditions set forth, is made and entered into this _____ day of _____, 2____ between Techne Corporation, a Minnesota corporation doing business as Bio-Techne (the "Company"), and _____ ("Indemnitee").

RECITALS

WHEREAS, Indemnitee is serving as a[n] [officer][director] of the Company, and as such is performing a valuable service for the Company; and

WHEREAS, competent and experienced persons are becoming increasingly likely to require, as a condition to service, adequate protection through liability insurance and adequate company indemnification against risks of claims and actions against them arising out of their service to the corporation; and

WHEREAS, the Board of Directors has determined that the ability to attract and retain qualified persons to serve as directors and/or officers is in the best interests of the Company and its shareholders, and that the Company should act to assure such persons that there will be adequate certainty of protection through insurance and indemnification against risks of claims and actions against them arising out of their service to and activities on behalf of the Company; and

WHEREAS, Section 302A.521 of the Minnesota Statutes permits the Company to indemnify and advance expenses to its officers and directors and to indemnify and advance expenses to persons who serve at the request of the Company as directors, officers, employees, or agents of other corporations or enterprises; and

WHEREAS, the Company has adopted provisions in its Bylaws relating to indemnification and advancement of expenses to its officers and directors; and

WHEREAS, the Company and Indemnitee desire to enter into an indemnification agreement which specifies the rights and obligations of the Company and such person with respect to indemnification, advancement of expenses and related matters, and to have such agreement supersede the indemnification and expense advancement provisions of the Company's Bylaws.

AGREEMENT

Now, therefore, in consideration of Indemnitee's continued service to the Company in Indemnitee's Official Capacity, the parties hereto agree as follows:

1. Definitions. For purposes of this Agreement:
 - (a) "Board of Directors" means the Company's board of directors.

(b) “Change of Control” means a change in control of the Company occurring after the Effective Date of a nature that would be required to be reported in response to Item 5.01 of Current Report on Form 8-K (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended (the “Act”), whether or not the Company is then subject to such reporting requirement; provided, however, that, without limitation, such a Change of Control shall be deemed to have occurred if after the Effective Date (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Act) becomes the “beneficial owner” (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company’s then outstanding securities without the prior approval of at least two-thirds of the members of the Board of Directors in office immediately prior to such person attaining such percentage; (ii) the Company is a party to a merger, consolidation, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board of Directors in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors thereafter; or (iii) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors (including for this purpose any new director whose election or nomination for election by the Company’s shareholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board of Directors.

(c) “Official Capacity” means Indemnitee’s corporate status as an officer and/or director and any other fiduciary capacity in which he serves the Company, its subsidiaries and affiliates, and any other entity which he serves in such capacity at the request of the Company’s CEO, its Board of Directors or any committee of its Board of Directors. “Official Capacity” also refers to all actions which Indemnitee takes or does not take while serving in such capacity.

(d) “Disinterested Director” means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification or advancement of expenses is sought by Indemnitee.

(e) “Effective Date” means the date first above written.

(f) “Expenses” shall include all direct and indirect costs actually and reasonably incurred by or on behalf of Indemnitee in connection with a Proceeding including, but not limited to, judgments, fines, liabilities or amounts paid in settlement, excise taxes assessed with respect to an employee benefit plan, reasonable attorneys’ fees, retainers, court costs, transcript costs, fees of experts, witness fees, advisory fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with investigating, prosecuting, defending, preparing to investigate, prosecute or defend a Proceeding, or being or preparing to be a witness in a Proceeding.

(g) “Independent Counsel” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past two years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party, or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.

(h) “Proceeding” includes any actual or threatened inquiry, investigation, action, suit, arbitration, or any other such actual or threatened action or occurrence, whether civil, criminal, administrative or investigative, including a proceeding by or in the right of the corporation, whether or not initiated prior to the Effective Date, except a proceeding initiated by an Indemnitee pursuant to Section 7 of this Agreement to enforce his or her rights under this Agreement.

2. Service by Indemnitee. Indemnitee will [serve] [continue to serve] in Indemnitee’s Official Capacity faithfully and to the best of Indemnitee’s ability so long as Indemnitee has or holds such Official Capacity. Indemnitee may at any time and for any reason resign from Indemnitee’s Official Capacity (subject to any other contractual obligation or any obligation imposed by operation of law).

3. Indemnification and Advancement of Expenses.

(a) General. Except as otherwise provided in this Agreement, the Company shall indemnify and advance Expenses to Indemnitee to the fullest extent permitted by Minnesota law, including Section 302A.521 of the Minnesota Statutes, as such law may from time to time be amended. Indemnitee shall be entitled to the Indemnification and/or advancement provided in this Section if, by reason of his or her Official Capacity, Indemnitee is a party or is threatened to be made a party to any Proceeding or by reason of anything done or not done by Indemnitee in his or her Official Capacity. The Company shall indemnify Indemnitee against all Expenses, and shall advance Expenses to Indemnitee, in each case if Indemnitee is determined to have met the standard of conduct set forth in Section 6(a).

(b) Exceptions. Indemnitee shall receive no indemnification or advancement of Expenses:

- (i) to the extent such indemnification against or advancement of Expenses is expressly prohibited by Minnesota law or the public policies of Minnesota, the United States of America or agencies of any governmental authority in any jurisdiction governing the matter in question;
- (ii) to the extent payment is actually made to Indemnitee for the amount to which Indemnitee would otherwise have been entitled under this Agreement pursuant to an insurance policy, or another indemnity agreement or arrangement from the Company or other person or entity;

(iii) in connection with any Proceeding, or part thereof (including claims and counterclaims) initiated by Indemnitee, except a judicial proceeding or arbitration pursuant to Section 7(a) to enforce rights under this Agreement, unless the Proceeding (or part thereof) was authorized by the Board of Directors of the Company; and

(iv) with respect to any Proceeding brought by or on behalf of the Company against Indemnitee that is authorized by the Board of Directors of the Company and, following a Change of Control, authorized by a majority of the Company's directors who were directors immediately before the Change of Control, except as provided in Section 4 below.

4. Indemnification for Expenses of Successful Party. Notwithstanding the limitations of any other provisions of this Agreement, to the extent that Indemnitee is successful on the merits or otherwise in defense of any Proceeding, or in defense of any claim, issue or matter therein, including, without limitation, the dismissal of any action without prejudice, or if it is ultimately determined that Indemnitee is otherwise entitled to be indemnified against Expenses, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred in connection therewith. If Indemnitee is partially successful on the merits or otherwise in defense of any Proceeding, such indemnification shall be apportioned appropriately to reflect the degree of success.

5. Indemnification for Expenses Incurred in Serving as a Witness. Notwithstanding any other provisions of this Agreement, if in any Proceeding with respect to which is not made or threatened to be made a party, Indemnitee serves as a witness by reason of Indemnitee's Official Capacity, Indemnitee shall be entitled to indemnification against and advancement of all Expenses that directly relate to such service as a witness.

6. Determination of Entitlement to Indemnification.

(a) Standard of Conduct. Indemnitee shall be entitled to indemnification against and/or advancement of Expenses (subject to the provision of a written affirmation in compliance with Section 10 in the case of a request to advance Expenses), pursuant to this Agreement, only upon a determination, (based on the facts then known in the case of a request for advancement of Expenses), that Indemnitee (i) has not been indemnified by another organization or employee benefit plan for the same Expenses; (ii) acted in good faith; (iii) received no improper personal benefit; (iv) in the case of a criminal proceeding, had no reasonable cause to believe that Indemnitee's conduct was unlawful; and (v) reasonably believed that the conduct was in the best interests of, or not opposed to the best interests of, the Company. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that Indemnitee did not meet the criteria set forth in this Section.

In the event of a guilty plea by Indemnitee, Indemnitee shall remain entitled to indemnification; provided, however, that following such plea Indemnitee in good faith requests indemnification. Indemnitee's eligibility for indemnification shall be determined as set forth in Section 6(b)(i)-(vi) below. If, in reviewing Indemnitee's plea and the facts and circumstances relating to such plea,

the decision-maker identified in Sections 6(b)(i)-(iv) below determines that Indemnitee has met the standard of conduct set forth in this Section 6(a) and thus is entitled to indemnification for any items set forth in Section 3(a) above, then the Company shall indemnify Indemnitee in accordance with the decision-maker's determination.

(b) Manner of Determining Eligibility. Upon Indemnitee's written request for indemnification or advancement of Expenses, the entitlement of Indemnitee to such requested indemnification or advancement of Expenses shall be determined by:

- (i) the Board of Directors of the Company by a majority vote of Disinterested Directors (defined above), as long as such majority constitutes a quorum; or
- (ii) a majority of a committee of Disinterested Directors consisting solely of two or more directors designated to act in the matter by a majority of the full Board of Directors; or
- (iii) Independent Counsel (defined above) selected either by a majority of the Board of Directors or a committee thereof by vote pursuant to clause (i) and (ii) in this Section or, if the requisite quorum of the full Board of Directors cannot be obtained and such committee cannot be established, by a majority of the full Board of Directors including directors who are parties; or
- (iv) affirmative vote of the shareholders required by Minn. Stat. § 302A.437, but the shares held by parties to the Proceeding must not be counted in determining the presence of a quorum and are not considered to be present and entitled to vote on the determination; or
- (v) a court in Minnesota if an adverse determination is made under clauses (b)(i)-(iv) of this Section, or if no determination is made under clauses (b)(i)-(iv) of this Section within 60 days after the later of the termination of the subject Proceeding or a written request for indemnification against and/or advancement of Expenses to the Company; or
- (vi) in the event that a Change of Control has occurred, by Independent Counsel (selected by Indemnitee) in a written opinion to the Board of Directors, a copy of which shall be delivered to the Indemnitee.

(c) Determination of Eligibility Following Change in Control. The Company agrees that if there is a Change in Control of the Company (other than a Change in Control which has been approved by a majority of the Company's Board of Directors who were directors immediately prior to such Change in Control) then with respect to all matters thereafter arising concerning the rights of the Indemnitee to indemnification against or the advancement of Expenses under this Agreement or any other agreements, Company Bylaw, provision in the Articles of Incorporation or any other document now or hereafter in effect relating to such indemnification or advancement of Expenses, the Company shall seek legal advice only from Independent Counsel. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to indemnify fully such counsel against any and all expenses (including attorneys' fees), claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(d) Payment of Costs of Determining Eligibility. The Company shall pay all costs associated with its determination of Indemnitee's eligibility for indemnification against or advancement of Expenses.

(e) Presumptions and Effect of Certain Proceedings. The Secretary of the Company shall advise the Board of Directors in writing promptly upon receipt of Indemnitee's request for indemnification and/or advancement of Expenses, and the Company shall thereafter promptly make the determination or initiate the appropriate process for making such determination, in either case pursuant to Section 6(b).

7. Remedies of Indemnitee.

(a) In the event that a determination is made that Indemnitee is not entitled to indemnification against or advancement of Expenses hereunder or if payment or a payment arrangement has not been timely made within fifteen (15) business days following a determination of entitlement to indemnification against and/or advancement of Expenses, Indemnitee shall be entitled to a final adjudication in a court of competent jurisdiction of entitlement to such indemnification and/or advancement. Alternatively, Indemnitee may seek an award in an arbitration to be conducted by a single arbitrator pursuant to the rules of the American Arbitration Association, such award to be made within sixty (60) calendar days following the filing of the demand for arbitration. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration. The determination in any such judicial proceeding or arbitration shall be made de novo and Indemnitee shall not be prejudiced by reason of a determination (if so made) pursuant to Section 6 that Indemnitee is not entitled to indemnification or advancement.

(b) If a determination is made or deemed to have been made under the terms of Section 6, or any other Section hereunder, that Indemnitee is entitled to indemnification, the Company shall be bound by such determination and is precluded from asserting that such determination has not been made or that the procedure by which such determination was made is not valid, binding and enforceable.

(c) If the court or arbitrator shall determine that Indemnitee is entitled to any indemnification or payment of Expenses hereunder, the Company shall pay all Expenses actually and reasonably incurred by Indemnitee in connection with such adjudication or arbitration (including, but not limited to, any appellate Proceedings).

8. Continuation of Obligation of Company. All agreements and obligations of the Company contained in this Agreement shall continue during the period of Indemnitee's Official Capacity and shall continue thereafter with respect to any Proceedings based on or arising out of Indemnitee's Official Capacity. This Agreement shall be binding upon all successors and assigns of the Company (including any transferee of all or substantially all of its assets and any successor by merger or operation of law) and shall inure to the benefit of Indemnitee's heirs, personal representatives and estate.

9. Notification and Defense of Claim. Promptly after receipt by Indemnitee of notice of any Proceeding, Indemnitee must notify the Company in writing of the commencement thereof; but, except as set forth in Section 9(d) below, the omission so to notify the Company will not relieve the Company from any liability that it may have to Indemnitee. Notwithstanding any other provision of this Agreement, with respect to any such Proceeding of which Indemnitee notifies the Company:

(a) Except as otherwise provided in this Section 9(b), to the extent that it may wish, the Company may, separately or jointly with any other indemnifying party, assume the defense of the Proceeding. After notice from the Company to Indemnitee of its election to assume the defense of the Proceeding, the Company shall not be liable to Indemnitee under this Agreement for any Expenses subsequently incurred by Indemnitee except as otherwise provided below. Indemnitee shall have the right to employ Indemnitee's own counsel in such Proceeding, but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of Indemnitee unless (i) the employment of counsel by Indemnitee has been authorized by the Company, (ii) Indemnitee shall have reasonably determined that there is a conflict of interest between the Company and Indemnitee in the conduct of the defense of the Proceeding, and such determination is supported by an opinion of qualified legal counsel addressed to the Company, or (iii) the Company shall not within sixty (60) calendar days of receipt of notice from Indemnitee in fact have employed counsel to assume the defense of the Proceeding.

(b) The Company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Company, or as to which Indemnitee shall have made the determination provided for in subparagraph (a)(ii) above.

(c) Regardless of whether the Company has assumed the defense of a Proceeding, the Company shall not be liable to indemnify Indemnitee under this Agreement for any amounts paid in settlement of any Proceeding effected without the Company's written consent, and the Company shall not settle any Proceeding in any manner that would impose any penalty or limitation on, or require any payment from, Indemnitee without Indemnitee's written consent.

(d) Until the Company receives notice of a Proceeding from Indemnitee, the Company shall have no obligation to indemnify against or advance Expenses to Indemnitee as to Expenses incurred prior to Indemnitee's notification of Company.

10. Indemnitee's Written Affirmation In Connection With A Request For Advancement. As a condition precedent to the Company's advancement of Expenses to and/or indemnification of Indemnitee, Indemnitee shall provide the Company with (a) a written affirmation by such person of his or her good faith belief that the criteria for indemnification set forth in subdivision 2 of Section 302A.521 of Minnesota Statutes have been satisfied, and (b) an undertaking, in substantially the form attached as Exhibit 1, by or on behalf of Indemnitee to reimburse such amount if it is finally determined, after all appeals by a court of competent jurisdiction that Indemnitee is not entitled to be indemnified against such Expenses by the Company as provided by this Agreement or otherwise. Indemnitee's undertaking to reimburse any such amounts is not required to be secured.

11. Severability; Prior Indemnification Agreements.

(a) If any provision of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not by themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby, and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraph of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent of the parties that the Company provide protection to Indemnitee to the fullest enforceable extent provided for in this Agreement.

(b) This Agreement shall supersede and replace any prior indemnification agreements entered into by and between the Company and Indemnitee and any such prior agreements shall be terminated upon execution of this Agreement.

(c) This Agreement shall supersede the provisions of the Company's Bylaws regarding indemnification and advancement of expenses, and is intended as the sole agreement governing the rights of Indemnitee to indemnification and advancement of expenses to Indemnitee with respect to all matters which are the subject of this Agreement.

12. Non-attribution of Actions of Any Indemnitee to Any Other Indemnitee. For purposes of determining whether Indemnitee is entitled to indemnification against or advancement of Expenses by the Company under this Agreement or otherwise, the actions or inactions of any other indemnitee or group of indemnitees shall not be attributed to Indemnitee.

13. Headings; References; Pronouns. The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof. References herein to section numbers are to sections of this Agreement. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as appropriate.

14. Other Provisions.

(a) This Agreement shall be interpreted and enforced in accordance with the laws of Minnesota.

(b) This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced as evidence of the existence of this Agreement.

(c) This Agreement shall not be deemed an employment contract between the Company and Indemnitee, and the Company shall not be obligated to continue Indemnitee in Indemnitee's Official Capacity by reason of this Agreement.

(d) Upon a payment to Indemnatee under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of Indemnatee to recover against any person for such liability, and Indemnatee must execute all documents and instruments required and must take such other actions as may be necessary to secure such rights, including the execution of such documents as may be necessary for the Company to bring suit to enforce such rights.

(e) No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

(f) The Company agrees to stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement and is precluded from making any assertions to the contrary.

(g) Indemnatee's rights under this Agreement shall extend to Indemnatee's spouse, members of Indemnatee's immediate family, and Indemnatee's representative(s), guardian(s), conservator(s), estate, executor(s), administrator(s), and trustee(s), (all of whom are referred to as "Related Parties"), as the case may be, to the extent a Related Party or a Related Party's property is subject to a Proceeding by reason of Indemnatee's Official Capacity.

[Signature Page Follows]

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

TECHNE CORPORATION

By: _____
Name:
Title:

Indemnatee

EXHIBIT 1

UNDERTAKING TO REPAY INDEMNIFICATION EXPENSES

I _____, agree to reimburse Techne Corporation (the "Company") for all expenses paid to me by the Company for my defense in any civil or criminal action, suit, or Proceeding, in the event, and to the extent that it shall ultimately be determined that I am not entitled to be indemnified by the Company for such expenses.

Signature _____

Typed Name _____

Office _____

_____) ss:

Before me _____, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and who, after being duly sworn, stated that the contents of said instrument is to the best of his/her knowledge and belief true and correct and who acknowledged that he/she executed the same for the purpose and consideration therein expressed.

GIVEN under my hand and official seal at _____, this _____ day of _____, 2_____.

Notary Public

My commission expires:

SUBSIDIARIES

Techne Corporation, a Minnesota corporation, had the subsidiaries below as of the date of filing its Annual Report on Form 10-K for the fiscal year ended June 30, 2014. Certain subsidiaries are not named because they were not significant individually or in the aggregate as of such date. Techne Corporation is not a subsidiary of any other entity.

<u>Name</u>	<u>State/Country of Incorporation</u>
Research and Diagnostic Systems, Inc. (R&D Systems)	Minnesota
BiosPacific, Inc.	Minnesota
Boston Biochem, Inc.	Minnesota
Tocris Cookson Limited	United Kingdom
R&D Systems Europe Ltd.	United Kingdom
R&D Systems GmbH	Germany
R&D Systems China Co., Ltd.	China
R&D Systems Hong Kong Ltd.	Hong Kong
Bionostics, Inc.	Massachusetts
Shanghai PrimeGene Bio-Tech Co.	China
Cayenne Merger Sub, Inc.	Delaware
Novus Holdings, LLC	Delaware
Novus Biologicals, LLC	Delaware
ProteinSimple	Delaware
ProteinSimple Ltd.	Ontario
ProteinSimple Hong Kong Ltd.	Hong Kong
Cell Biosciences International	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Techne Corporation:

We consent to the incorporation by reference in the registration statement (No. 333-37263, 333-88885, 333-49962 and 333-170576) on Form S-8 of Techne Corporation of our report dated August 29, 2014, with respect to the consolidated balance sheets of Techne Corporation and subsidiaries as of June 30, 2014 and 2013, and the related consolidated statements of earnings and comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended June 30, 2014, and the effectiveness of internal controls over financial reporting as of June 30, 2014, which report appears in the June 30, 2014 annual report on Form 10-K of Techne Corporation.

/s/ KPMG LLP

Minneapolis, Minnesota
August 29, 2014

CERTIFICATION

I, Charles Kummeth, certify that:

1. I have reviewed this annual report on Form 10-K of Techne Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 29, 2014

/s/ Charles Kummeth

Charles Kummeth
Chief Executive Officer

CERTIFICATION

I, James T. Hippel, certify that:

1. I have reviewed this annual report on Form 10-K of Techne Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report.
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 29, 2014

/s/ James T. Hippel

James T. Hippel
Chief Financial Officer

TECHNE CORPORATION

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Techne Corporation (the “Company”) on Form 10-K for the year ended June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Charles Kummeth, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15 (d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Charles Kummeth

Charles Kummeth
Chief Executive Officer
August 29, 2014

TECHNE CORPORATION

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Techne Corporation (the "Company") on Form 10-K for the year ended June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James T. Hippel, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15 (d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James T. Hippel

James T. Hippel
Chief Financial Officer
August 29, 2014