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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2014
OR

☐ **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: 0-24249

PDI, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**22-2919486**
(State or other jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification No.)

Morris Corporate Center 1, Building A
300 Interpace Parkway, Parsippany, NJ 07054

(Address of principal executive offices and zip code)

(800) 242-7494

(Registrant's telephone number, including area code)

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 registrant 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☒

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Shares Outstanding November 3, 2014
Common stock, $0.01 par value	15,364,559

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PDI, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands, except share and per share data)

	September 30, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 27,005	$ 45,639
Short-term investments	105	103
Accounts receivable, net	3,403	2,422
Unbilled costs and accrued profits on contracts in progress	6,338	7,982
Other current assets	5,355	6,563
Total current assets	42,206	62,709
Property and equipment, net	2,945	2,789
Goodwill	2,523	2,523
Other intangible assets	13,459	—
Other long-term assets	1,094	1,043
Total assets	$ 62,227	$ 69,064
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,851	$ 2,350
Unearned contract revenue	7,611	9,379
Accrued salary and bonus	6,813	9,643
Other accrued expenses	11,392	10,028
Total current liabilities	28,667	31,400
Long-term liabilities	8,136	5,185
Total liabilities	36,803	36,585
Commitments and contingencies (Note 8)		
Stockholders’ equity:		
Preferred stock, $.01 par value; 5,000,000 shares authorized, no shares issued and outstanding	—	—
Common stock, $.01 par value; 40,000,000 shares authorized		
16,549,540 and 16,316,169 shares issued, respectively;		
15,359,526 and 15,169,898 shares outstanding, respectively	165	163
Additional paid-in capital	131,991	130,229
Accumulated deficit	(92,428)	(83,823)
Accumulated other comprehensive income	17	16
Treasury stock, at cost (1,190,014 and 1,146,271 shares, respectively)	(14,321)	(14,106)
Total stockholders' equity	25,424	32,479
Total liabilities and stockholders' equity	$ 62,227	$ 69,064

The accompanying notes are an integral part of these condensed consolidated financial statements.

PDI, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(unaudited, in thousands, except for per share data)

	Three Months Ended September 30		Nine Months Ended September 30	
	2014	**2013**	**2014**	**2013**
Revenue, net	$ 29,245	$ 34,260	$ 93,601	$ 114,428
Cost of services	25,510	29,564	79,966	94,410
Gross profit	3,735	4,696	13,635	20,018
Compensation expense	3,678	4,231	11,081	13,300
Other selling, general and administrative expenses	4,280	2,517	10,797	7,364
Total operating expenses	7,958	6,748	21,878	20,664
Operating loss	(4,223)	(2,052)	(8,243)	(646)
Other (expense) income, net	(20)	3	(50)	(30)
Loss from continuing operations before income tax	(4,243)	(2,049)	(8,293)	(676)
Provision for income tax	64	64	194	192
Loss from continuing operations	(4,307)	(2,113)	(8,487)	(868)
Loss from discontinued operations, net of tax	(29)	(28)	(118)	(31)
Net loss	$ (4,336)	$ (2,141)	$ (8,605)	$ (899)
Other comprehensive income:				
Unrealized holding gain on available-for-sale securities, net	1	2	1	2
Comprehensive loss	$ (4,335)	$ (2,139)	$ (8,604)	$ (897)
Basic loss per share of common stock from:				
Continuing operations	$ (0.29)	$ (0.14)	$ (0.57)	$ (0.06)
Discontinued operations	—	(0.01)	(0.01)	—
Net loss per basic share of common stock	$ (0.29)	$ (0.15)	$ (0.58)	$ (0.06)
Diluted loss per share of common stock from:				
Continuing operations	$ (0.29)	$ (0.14)	$ (0.57)	$ (0.06)
Discontinued operations	—	(0.01)	(0.01)	—
Net loss per diluted share of common stock	$ (0.29)	$ (0.15)	$ (0.58)	$ (0.06)
Weighted average number of common shares and common share equivalents outstanding:				
Basic	14,938	14,740	14,886	14,708
Diluted	14,938	14,740	14,886	14,708

The accompanying notes are an integral part of these condensed consolidated financial statements.

PDI, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Nine Months Ended September 30,	
	2014	**2013**
Cash Flows From Operating Activities		
Net loss	$ (8,605)	$ (899)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,328	922
Realignment accrual accretion	106	106
Provision for bad debt	—	9
Stock-based compensation	1,764	1,519
Other changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(981)	6,658
Decrease (increase) in unbilled costs	1,644	(4,690)
Decrease in other current assets	1,752	2,330
Increase in other long-term assets	(9)	—
Increase (decrease) in accounts payable	501	(1,620)
Decrease in unearned contract revenue	(1,768)	(2,483)
(Decrease) increase in accrued salaries and bonus	(2,830)	957
Increase (decrease) in other accrued expenses	186	(1,620)
Decrease in long-term liabilities	(1,054)	(952)
Net cash (used in) provided by operating activities	(7,966)	237
Cash Flows From Investing Activities		
Purchase of property and equipment	(1,298)	(1,648)
Investment in non-controlled entity	—	(1,500)
Acquisition of diagnostic assets	(8,500)	—
Loan to the Diagnostics Company	(655)	—
Net cash used in investing activities	(10,453)	(3,148)
Cash Flows From Financing Activities		
Cash paid for repurchase of restricted shares	(215)	(245)
Net cash used in financing activities	(215)	(245)
Net decrease in cash and cash equivalents	(18,634)	(3,156)
Cash and cash equivalents – beginning	45,639	52,783
Cash and cash equivalents – ending	$ 27,005	$ 49,627
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Contingent consideration	$ 4,476	$ —

The accompanying notes are an integral part of these condensed consolidated financial statements.

(Tabular information in thousands, except per share amounts)

1. BASIS OF PRESENTATION

The accompanying unaudited interim condensed consolidated financial statements and related notes (the interim financial statements) should be read in conjunction with the consolidated financial statements of PDI, Inc. and its subsidiaries (the Company or PDI) and related notes as included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 as filed with the Securities and Exchange Commission (SEC) on March 6, 2014. The interim financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States (GAAP) for interim financial reporting and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The interim financial statements include all normal recurring adjustments that, in the judgment of management, are necessary for a fair presentation of such interim financial statements. All significant intercompany balances and transactions have been eliminated in consolidation. Operating results for the three- and nine-month periods ended September 30, 2014 are not necessarily indicative of the results that may be expected for the year ending December 31, 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management's estimates are based on historical experience, facts and circumstances available at the time, and various other assumptions that are believed to be reasonable under the circumstances. Significant estimates include accounting for business combinations, best estimate of selling price in multiple element arrangements, valuation allowances related to deferred income taxes, self-insurance loss accruals, allowances for doubtful accounts and notes, income tax accruals, asset impairments and facilities realignment accruals. The Company periodically reviews these matters and reflects changes in estimates as appropriate. Actual results could materially differ from those estimates.

Basic and Diluted Net Loss per Share

A reconciliation of the number of shares of common stock used in the calculation of basic and diluted loss per share for the three- and nine-month periods ended September 30, 2014 and 2013 is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Basic weighted average number of common shares	14,938	14,740	14,886	14,708
Dilutive effect of stock-based awards	—	—	—	—
Diluted weighted average number of common shares	14,938	14,740	14,886	14,708

The following outstanding stock-based awards were excluded from the computation of the effect of dilutive securities on loss per share for the following periods because they would have been anti-dilutive:

(Tabular information in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Options	25	42	25	42
Stock-settled stock appreciation rights (SARs)	1,270	796	1,270	796
Restricted stock/units	620	600	620	600
Market contingent SARs	188	280	188	280
	2,103	1,718	2,103	1,718

Goodwill and Other Intangible Assets

The Company allocates the cost of acquired companies to the identifiable tangible and intangible assets acquired and liabilities assumed, with the remaining amount classified as goodwill. Since the entities the Company has acquired do not have significant tangible assets, a significant portion of the purchase price has been allocated to intangible assets and goodwill. The identification and valuation of these intangible assets and the determination of the estimated useful lives at the time of acquisition, as well as the completion of impairment tests require significant management judgments and estimates. These estimates are made based on, among other factors, consultations with an accredited independent valuation consultant, reviews of projected future operating results and business plans, economic projections, anticipated highest and best use of future cash flows and the market participant cost of capital. The use of alternative estimates and assumptions could increase or decrease the estimated fair value of goodwill and other intangible assets, and potentially result in a different impact to the Company's results of operations. Further, changes in business strategy and/or market conditions may significantly impact these judgments thereby impacting the fair value of these assets, which could result in an impairment of the goodwill. See Note 5, Goodwill and Other Intangible Assets, for further information.

The Company tests goodwill and indefinite lived intangible assets for impairment at least annually (as of December 31) and whenever events or circumstances change that indicate impairment may have occurred. A significant amount of judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include, among others: a significant decline in expected future cash flows; a sustained, significant decline in stock price and market capitalization; a significant adverse change in legal factors or in the business climate of the pharmaceutical industry; unanticipated competition; and slower growth rates. Any adverse change in these factors could have a significant impact on the recoverability of goodwill and our consolidated financial results. At September 30, 2014, no indicators of impairment were identified.

Long-Lived Assets, including Finite-Lived Intangible Assets

The Company reviews the recoverability of long-lived assets and finite-lived intangible assets whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the asset, an impairment loss is recognized by reducing the recorded value of the asset to its fair value measured by future discounted cash flows. This analysis requires estimates of the amount and timing of projected cash flows and, where applicable, judgments associated with, among other factors, the appropriate discount rate. Such estimates are critical in determining whether any impairment charge should be recorded and the amount of such charge if an impairment loss is deemed to be necessary. At September 30, 2014, no indicators of impairment were identified.

Accounting Standards Updates

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2014-09 (ASU 2014-09), “Revenue from Contracts with Customers,” which provides guidance for revenue recognition. ASU 2014-09's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing GAAP.

The standard is effective for annual periods beginning after December 15, 2016, and interim periods therein, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients; or (ii) a retrospective approach with the

(Tabular information in thousands, except per share amounts)

cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). Early application is not permitted. The Company is currently evaluating the impact of adopting ASU 2014-09 on its consolidated financial statements and has not yet determined the method by which it will adopt the standard.

In April 2014, the FASB issued ASU 2014-08 "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity." ASU 2014-08 provides new guidance related to the definition of a discontinued operation and requires new disclosures of both discontinued operations and certain other disposals that do not meet the definition of a discontinued operation. The new guidance is effective on a prospective basis for fiscal years beginning after December 15, 2014, and interim periods within annual periods beginning on or after December 15, 2015. The Company is currently assessing the future impact of ASU 2014-08 on its consolidated financial statements.

3. ACQUISITIONS

On August 13, 2014, the Company, through its wholly-owned subsidiary Interpace Diagnostics, LLC (Interpace or IDx), consummated an agreement to acquire certain fully developed thyroid and pancreas cancer diagnostic tests, other tests in development for thyroid cancer, associated intellectual property and a biobank with more than 5,000 patient tissue samples (collectively the Acquired Property) from Asuragen, Inc. (Asuragen) pursuant to an asset purchase agreement (the Agreement). The Company paid $8.0 million at closing and will be obligated to pay an additional $0.5 million to Asuragen upon the successful completion by Asuragen of certain integral transition service obligations set forth in a transition services agreement, entered into concurrently with the Agreement. The Company also entered into two license agreements with Asuragen relating to the Company's ability to sell the fully developed thyroid and pancreas cancer diagnostic tests and other tests in development for thyroid cancer. In addition, the Company will be obligated to make a milestone payment of $0.5 million to Asuragen upon the earlier of the launch of a pancreas product or February 13, 2016, and to pay royalties of 5.0% on the future net sales of the pancreas diagnostics product line for a period of ten years following a qualifying sale, 3.5% on the future net sales of the thyroid diagnostics product line through August 13, 2024 and 1.5% on the future net sales of certain other thyroid diagnostics products for a period of ten years following a qualifying sale, collectively the contingent consideration.

The acquisition has been accounted for as a business combination, subject to the provisions of Accounting Standards Codification 805-10-50 (ASC 805-10-50), and been treated as an asset acquisition for tax purposes. In connection with the transaction, the Company has preliminarily recorded $13.0 million of finite lived intangible assets having a weighted-average amortization period of 7.9 years. See Note 5, Goodwill and Other Intangible Assets, for additional information.

The Company determined a preliminary acquisition date fair value of the contingent consideration (inclusive of the aforementioned milestone payment and royalties on future net sales) of $4.5 million. The royalty portion of the contingent consideration is based on a probability-weighted income approach derived from estimated future revenues. The fair value measurement is based on significant subjective assumptions and inputs not observable in the market and thus represents a Level 3 fair value measurement. Future revisions to these assumptions could materially change the estimate of the fair value of the contingent consideration and therefore materially affect the Company's future financial results. See Note 7, Fair Value Measurements, for further information. There was no change in the fair value of the contingent consideration during the quarter ended September 30, 2014. Going forward, the Company will estimate the change in the fair value of the contingent consideration as of each reporting period and recognize the change in fair value in the statement of comprehensive income (loss). The reconciliation of consideration given for the Acquired Property to the preliminary allocation of the purchase price for the assets and liabilities acquired based on their relative fair values is as follows:

Cash	$	8,000
Transition services obligation		500
Contingent consideration		4,476
Total consideration	$	12,976
Acquired intangible assets	$	12,976

(Tabular information in thousands, except per share amounts)

The preliminary allocation of the purchase price was based upon a valuation for which the estimates and assumptions are subject to change within the measurement period (up to one year from the acquisition date). The final allocation price could differ materially from the preliminary allocation. Any subsequent changes to the purchase price allocation that result in material changes to the Company's consolidated financial results will be adjusted accordingly.

The unaudited pro forma consolidated statements of operations reflecting the Company's acquisition of the Acquired Property for the year ended three and nine months ended September 30, 2014 and 2013 are not provided as that presentation would require forward-looking information in order to meaningfully present the effects of the acquisition.

On August 21, 2014, the Company, through its wholly-owned Interpace subsidiary, acquired 100% of the outstanding stock of JS Genetics, Inc. (JS Genetics), a CLIA certified and CAP accredited molecular diagnostics lab located in New Haven, Connecticut. The Company paid $0.5 million at closing and assumed liabilities of approximately $0.1 million. The acquisition has initially been accounted for as an asset acquisition, subject to the provisions of Accounting Standards Codification 805-50-25 and been treated as such for tax purposes. In connection with the transaction, the Company has preliminarily recorded $0.6 million of finite lived intangible assets having an amortization period of approximately 2.3 years. See Note 5, Goodwill and Other Intangible Assets, for additional information.

4. INVESTMENTS IN MARKETABLE SECURITIES

Available-for-sale securities are carried at fair value with the unrealized holding gains or losses, net of tax, included as a component of accumulated other comprehensive income (loss) in stockholders' equity. Realized gains and losses on available-for-sale securities are computed based upon specific identification and included in other income (expense), net in the consolidated statement of operations. Declines in value judged to be other-than-temporary on available-for-sale securities are recorded in other income (expense), net in the consolidated statement of operations and the cost basis of the security is reduced. The fair values for marketable equity securities are based on quoted market prices. Held-to-maturity investments are stated at amortized cost which approximates fair value. Interest income is accrued as earned. Realized gains and losses on held-to-maturity investments are computed based upon specific identification and included in other income (expense), net in the condensed consolidated statement of comprehensive loss. The Company does not have any investments classified as trading.

Available-for-sale securities consist of assets in a rabbi trust associated with the Company's deferred compensation plan. The carrying value of available-for-sale securities at September 30, 2014 and December 31, 2013, was approximately $105,000 and $103,000, respectively, and is included in short-term investments. Available-for-sale securities as of both September 30, 2014 and December 31, 2013 consisted of approximately $57,000 and $55,000 in mutual funds, respectively, and approximately $48,000 in money market accounts.

The Company's other marketable securities consist of investment grade debt instruments such as obligations of U.S. Treasury and U.S. Federal Government agencies. These investments are categorized as held-to-maturity since the Company's management has the ability and intent to hold these securities to maturity. The Company's held-to-maturity investments are carried at amortized cost which approximates fair value and are maintained in separate accounts to support the Company's letters of credit. The Company had standby letters of credit of approximately $1.6 million and $2.0 million as of September 30, 2014 and December 31, 2013, respectively, as collateral for its existing insurance policies and facility leases.

At September 30, 2014 and December 31, 2013, held-to-maturity investments included the following:

		Maturing			Maturing	
	September 30, 2014	within 1 year	after 1 year through 3 years	December 31, 2013	within 1 year	after 1 year through 3 years
Cash/money accounts	$ 43	$ 43	$ —	$ 116	$ 116	$ —
U.S. Treasury securities	1,304	520	784	1,730	1,360	370
Government agency securities	241	95	146	382	382	—
Total	$ 1,588	$ 658	$ 930	$ 2,228	$ 1,858	$ 370

At September 30, 2014 and December 31, 2013, held-to-maturity investments were recorded in the following accounts:

(Tabular information in thousands, except per share amounts)

	September 30, 2014	December 31, 2013
Other current assets	$ 658	$ 1,858
Other long-term assets	930	370
Total	$ 1,588	$ 2,228

5. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill recorded as of September 30, 2014 is attributable to the 2010 acquisition of Group DCA. As of September 30, 2014 and December 31, 2013, the carrying amount of goodwill for Group DCA was approximately $2.5 million.

The net carrying value of the identifiable intangible assets as of September 30, 2014 is as follows:

		As of September 30, 2014		
	Life (Years)	Carrying Amount	Accumulated Amortization	Net
Diagnostic assets:				
Thyroid	9	$ 8,519	$ —	$ 8,519
Pancreas	7	2,882	52	2,830
Biobank	4	1,575	49	1,526
Total		$ 12,976	$ 101	$ 12,875
Diagnostics lab:				
CLIA Lab	2.3	$ 609	$ 25	$ 584

Amortization expense was $0.1 million for both the three and nine-month periods ended September 30, 2014. Amortization of the thyroid diagnostic asset will begin upon launch of the product. Estimated amortization expense for the current year and next four years is as follows:

2014	2015	2016	2017	2018
378	1,914	1,997	1,752	1,604

6. FACILITIES REALIGNMENT

The following table presents a rollforward of the Company's restructuring reserve from December 31, 2013 to September 30, 2014, of which approximately $0.7 million is included in other accrued expenses and $0.3 million is included in long-term liabilities as of September 30, 2014. The Company recognizes accretion expense in *Other expense, net* in the Condensed Consolidated Statement of Comprehensive (Loss) Income.

	Sales Services	Marketing Services	Discontinued Operations	Total
Balance as of December 31, 2013	$ 1,125	$ 458	$ 379	$ 1,962
Accretion	83	—	23	106
Adjustments	—	(16)	—	(16)
Payments	(506)	(442)	(154)	(1,102)
Balance as of September 30, 2014	$ 702	$ —	$ 248	$ 950

7. FAIR VALUE MEASUREMENTS

The Company's financial assets and liabilities reflected at fair value in the consolidated financial statements include: cash and cash equivalents; short-term investments; accounts receivable; other current assets; and accounts payable. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market, income and cost approaches. Based on these approaches, the Company often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market-corroborated, or generally unobservable inputs. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based upon observable inputs used in the

valuation techniques, the Company is required to provide information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values into three broad levels as follows:

(Tabular information in thousands, except per share amounts)

Level 1: Valuations for assets and liabilities traded in active markets from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2: Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

Level 3: Valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability. The valuation methodologies used for the Company's financial instruments measured on a recurring basis at fair value, including the general classification of such instruments pursuant to the valuation hierarchy, is set forth in the tables below.

	As of September 30, 2014		Fair Value Measurements As of September 30, 2014		
	Carrying Amount	Fair Value	Level 1	Level 2	Level 3
Assets:					
Cash and cash equivalents:					
Cash	$ 9,191	$ —	$ —	$ —	$ —
Money Market Funds	17,814	17,814	17,814	—	—
Total	$ 27,005	$ 17,814	$ 17,814	$ —	$ —
Marketable securities:					
Money Market Funds	$ 48	$ 48	$ 48	$ —	$ —
Mutual Funds	57	57	57	—	—
U.S. Treasury securities	1,304	1,304	1,304	—	—
Government agency securities	241	241	241	—	—
Total	$ 1,650	$ 1,650	$ 1,650	$ —	$ —

The fair value of cash and cash equivalents and marketable securities is valued using market prices in active markets (level 1). As of September 30, 2014, the Company did not have any marketable securities in less active markets (level 2). In connection with the acquisition of the Acquired Property from Asuragen, the Company recorded $ 4.5 million of contingent consideration. The Company determined the fair value of the contingent consideration based on a probability-weighted income approach derived from revenue estimates. The fair value measurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement. There was no change in the fair value of the contingent consideration during the period ended September 30, 2014.

The Company considers carrying amounts of accounts receivable, accounts payable and accrued expenses to approximate fair value due to the short-term nature of these financial instruments. There is no fair value ascribed to the letters of credit as management does not expect any material losses to result from these instruments because performance is not expected to be required.

8. COMMITMENTS AND CONTINGENCIES

Letters of Credit

As of September 30, 2014, the Company had outstanding letters of credit of $1.6 million as required by its existing insurance policies and facility leases. These letters of credit are supported by investments in held-to-maturity

(Tabular information in thousands, except per share amounts)

securities. See Note 3, Investments in Marketable Securities, for additional detail regarding investments in marketable securities.

Litigation

Due to the nature of the businesses in which the Company is engaged, such as product detailing and in the past, the distribution of products, it is subject to certain risks. Such risks include, among others, risk of liability for personal injury or death to persons using products the Company promotes or distributes. There can be no assurance that substantial claims or liabilities will not arise in the future due to the nature of the Company's business activities and recent increases in litigation related to healthcare products, including pharmaceuticals. The Company seeks to reduce its potential liability under its service agreements through measures such as contractual indemnification provisions with customers (the scope of which may vary from customer to customer, and the performance of which is not secured) and insurance. The Company could, however, also be held liable for errors and omissions of its employees in connection with the services it performs that are outside the scope of any indemnity or insurance policy. The Company could be materially adversely affected if it were required to pay damages or incur defense costs in connection with a claim that is outside the scope of an indemnification agreement; if the indemnity, although applicable, is not performed in accordance with its terms; or if the Company's liability exceeds the amount of applicable insurance or indemnity.

The Company routinely assesses its litigation and threatened litigation as to the probability of ultimately incurring a liability, and records its best estimate of the ultimate loss in situations where the Company assesses the likelihood of loss as probable. The Company accrues for a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Significant judgment is required in both the determination of probability and the determination as to whether a loss is reasonably estimable. In addition, in the event the Company determines that a loss is not probable, but is reasonably possible, and it becomes possible to develop what the Company believes to be a reasonable range of possible loss, then the Company will include disclosures related to such matter as appropriate and in compliance with ASC 450. To the extent there is a reasonable possibility that the losses could exceed the amounts already accrued, the Company will, as applicable, adjust the accrual in the period the determination is made, disclose an estimate of the additional loss or range of loss, indicate that the estimate is immaterial with respect to its financial statements as a whole or, if the amount of such adjustment cannot be reasonably estimated, disclose that an estimate cannot be made. As of September 30, 2014, the Company's accrual for litigation and threatened litigation was not material to the consolidated financial statements.

9. ACCRUED EXPENSES AND LONG-TERM LIABILITIES

Other accrued expenses consisted of the following as of September 30, 2014 and December 31, 2013:

	September 30, 2014	December 31, 2013
Accrued pass-through costs	$ 1,453	$ 2,089
Facilities realignment accrual	661	997
Self insurance accruals	376	1,020
Transition services milestone	500	—
Contingent consideration	577	—
Acquisition related costs	724	—
Indemnification liability	875	875
Rent payable	563	563
All others	5,663	4,484
	$ 11,392	$ 10,028

Long-term liabilities consisted of the following as of September 30, 2014 and December 31, 2013:

(Tabular information in thousands, except per share amounts)

	September 30, 2014	December 31, 2013
Rent payable	$ 580	$ 969
Uncertain tax positions	3,226	3,109
Facilities realignment accrual	289	965
Contingent consideration	3,899	—
Other	142	142
	$ 8,136	$ 5,185

10. STOCK-BASED COMPENSATION

In February 2014, under the terms of the stockholder-approved PDI, Inc. 2004 Stock Award Incentive Plan (the 2004 Plan), the Compensation and Management Development Committee of the Board (the Compensation Committee) approved grants of restricted stock to certain executive officers and members of senior management of the Company. The full Board approved the portion of these grants made to the Company's Chief Executive Officer. As part of the Company's 2013 long-term incentive plan, these grants aggregated 173,990 shares of restricted stock issued with a weighted average grant date fair value of $5.12 per share and 489,846 SARs with a weighted average grant date fair value of $1.82.

The grant date fair values of SARs awards are determined using a Black-Scholes pricing model. Assumptions utilized in the model are evaluated and revised, as necessary, to reflect market conditions and experience. The following table provides the weighted average assumptions used in determining the fair value of the non-market based SARs awards granted during the nine-month periods ended September 30, 2014 and September 30, 2013:

	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Risk-free interest rate	0.71%	0.33%
Expected life	3.5 years	3.5 years
Expected volatility	47.94%	49.80%
Dividend yield	—%	—%

In February 2014, the Company's chief executive officer was granted 188,165 market contingent SARs. The market contingent SARs have an exercise price of $5.10, a five year term to expiration, and a weighted-average fair value of $1.87. The fair value estimate of the market contingent SARs was calculated using a Monte Carlo Simulation model. The market contingent SARs are subject to a time-based vesting schedule, but will not vest unless and until certain additional, market-based conditions are satisfied: (1) with respect to the initial 36,496 market contingent SARs, which vest on a time-based schedule on the first anniversary of the date of grant, the closing price of the Company's common stock is at least $7.65 per share for the average of 60 consecutive trading days anytime within five years from the grant date; (2) with respect to the next 64,460 market contingent SARs, which vest on a time-based schedule on the second anniversary of the date of grant, the closing price of the Company's common stock is at least $10.20 per share for the average of 60 consecutive trading days anytime within five years from the grant date; and (3) with respect to the final 87,209 market contingent SARs, which vest on a time-based schedule on the third anniversary of the date of grant, the closing price of the Company's common stock is at least $15.30 per share for the average of 60 consecutive trading days anytime within five years from the grant date. These stock prices represent premiums in excess of at least 50% of the closing stock price of the Company's common stock on the date of grant.

The Company recognized $0.4 million of stock-based compensation expense during each of the three-month periods ended September 30, 2014 and 2013, and $1.8 million and $1.5 million for the nine-month periods ended September 30, 2014 and 2013, respectively.

11. INCOME TAXES

Generally, accounting standards require companies to provide for income taxes each quarter based on their estimate of the effective tax rate for the full year. The authoritative guidance for accounting for income taxes allows use of the discrete method when it provides a better estimate of income tax expense. Due to the Company's valuation allowance position, it is the Company's position that the discrete method provides a more accurate estimate of income tax expense and therefore income tax expense for the current quarter has been presented using the discrete method. As the year progresses, the Company refines its estimate based on the facts and circumstances by each tax jurisdiction. The following table summarizes income tax expense on (loss) income from continuing operations and the effective tax rate for the three- and nine-month periods ended September 30, 2014 and 2013:

	Three Months Ended September 30,	Nine Months Ended September 30,

	2014	2013	2014	2013
Provision for income tax	$ 64	$ 64	$ 194	$ 192
Effective income tax rate	(1.5)%	(3.1)%	(2.3)%	9.3%

Income tax expense for each of the three- and nine-month periods ended September 30, 2014 and 2013 was primarily due to state and local taxes as the Company and its subsidiaries file separate income tax returns in numerous state and local jurisdictions.

12. SEGMENT INFORMATION

The accounting policies of the segments are described in Note 1 of the Company's audited consolidated financial statements in its Annual Report on Form 10-K for the year ended December 31, 2013. Corporate charges are allocated to each of the reporting segments on the basis of total salary expense. Corporate charges include corporate headquarters costs and certain depreciation expenses. Certain corporate capital expenditures have not been allocated from the Sales Services segment to the other reporting segments since it is impracticable to do so.

(Tabular information in thousands, except per share amounts)

	Sales Services	Marketing Services	Product Commercialization Services	Consolidated
Three months ended September 30, 2014:				
Revenue	$ 28,186	$ 1,006	$ 53	$ 29,245
Operating loss	$ (746)	$ (1,283)	$ (2,194)	$ (4,223)
Capital expenditures	$ 350	$ 1	$ 87	$ 438
Depreciation expense	$ 240	$ 117	$ 8	$ 365
Three months ended September 30, 2013:				
Revenue	$ 30,748	$ 781	$ 2,731	$ 34,260
Operating (loss) income	$ (1,316)	$ (1,177)	$ 441	$ (2,052)
Capital expenditures	$ 290	$ 402	$ —	$ 692
Depreciation expense	$ 296	$ 46	$ 3	$ 345
Nine months ended September 30, 2014:				
Revenue	$ 85,048	$ 2,623	$ 5,930	$ 93,601
Operating loss	$ (1,205)	$ (4,290)	$ (2,748)	$ (8,243)
Capital expenditures	$ 1,203	$ 8	$ 87	$ 1,298
Depreciation expense	$ 697	$ 466	$ 39	$ 1,202
Nine months ended September 30, 2013:				
Revenue	$ 101,267	$ 3,966	$ 9,195	$ 114,428
Operating income (loss)	$ 31	$ (2,378)	$ 1,701	$ (646)
Capital expenditures	$ 545	$ 1,103	$ —	$ 1,648
Depreciation expense	$ 746	$ 145	$ 31	$ 922

13. DISCONTINUED OPERATIONS

On December 29, 2011 the Company entered into an agreement to sell certain assets of our Pharmakon business unit. On July 19, 2010, the Board approved closing the TVG business unit and the Company notified employees and issued a press release to that effect on July 20, 2010. The Consolidated Statements of Comprehensive Loss reflect the presentation of Pharmakon and TVG as discontinued operations in all periods presented.

The table below presents the significant components of Pharmakon's and TVG's results included in *Loss from discontinued operations, net of tax* in the Condensed Consolidated Statements of Comprehensive Loss for the three- and nine-month periods ended September 30, 2014 and 2013.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenue, net	$ —	$ —	$ —	$ —
Loss from discontinued operations, before income tax	(28)	(27)	(114)	(27)
Provision for income tax	1	1	4	4
Loss from discontinued operations, net of tax	$ (29)	$ (28)	$ (118)	$ (31)

(Tabular information in thousands, except per share amounts)

The major classes of assets and liabilities included in the Condensed Consolidated Balance Sheets for Pharmakon and TVG as of September 30, 2014 and December 31, 2013 are as follows:

	September 30, 2014	December 31, 2013
Current assets	$ —	$ —
Non-current assets	150	150
Total assets	$ 150	$ 150
Current liabilities	$ 365	$ 405
Non-current liabilities	399	619
Total liabilities	$ 764	$ 1,024

14. INVESTMENT IN NON-CONTROLLED ENTITY AND OTHER ARRANGEMENTS

In August 2013, PDI entered into phase one of a collaboration agreement with a privately held, emerging molecular diagnostics company (the Diagnostics Company) to commercialize its fully-developed, molecular diagnostic tests. The Diagnostics Company does not have experience in, or a history of, successfully commercializing diagnostic products. Under the terms of phase one of the collaboration agreement, PDI paid an initial fee of $1.5 million and had the ability to enter the second phase of the collaboration agreement in the form of a call option to purchase the outstanding common stock of the Diagnostics Company. PDI has recorded the initial fee as an investment in a non-controlled entity within *Other current assets* in the Consolidated Balance Sheets in accordance with ASC 325-20 Investments Other - Cost Method Investments. The Company also has the option to contribute an additional $0.5 million for mutually agreed upon activities in furtherance of collaboration efforts.

In August 2014, PDI entered into an amendment to the collaboration agreement reducing the option price to a maximum amount of $3.0 million plus any amounts outstanding under the loan to the Diagnostics Company. If PDI purchases the outstanding common stock of the Diagnostics Company, in addition to the option price, beginning in 2015, PDI would pay a royalty of 5.5% on annual net revenue up to $50.0 million with escalating royalty percentages for higher annual net revenue capped at 7.5% for annual net revenue in excess of $100.0 million. PDI can terminate the amended collaboration agreement if all milestones are not achieved by March 31, 2015 and receive a $1.0 million termination fee. If all milestones are achieved by March 31, 2015 and PDI has not exercised its option, the Diagnostics Company can terminate the collaboration agreement and pay PDI a termination fee of approximately $1.5 million. The amended collaboration agreement provides PDI the right to extend the effective date of termination until to September 30, 2015 by making a payment of $0.5 million (the Extension Fee) to the Diagnostics Company before the expiration of the termination notice period. If the Extension Fee is paid, and the Company thereafter purchases the outstanding stock of the Diagnostics Company, then the option price due at closing will be reduced by the amount of the Extension Fee. The amendment to collaboration agreement eliminated the Diagnostics Company's ability to require PDI to exercise the option to purchase the outstanding common stock of the Diagnostics Company.

Through June 30, 2014, PDI loaned the Diagnostics Company approximately $0.7 million bearing a 4% interest rate. In connection with the amendment to the collaboration agreement during the three month period ended September 30, 2014, the loan balance was reduced to $0.6 million. This loan is secured by the stock of Diagnostics Company and is payable to PDI at the sooner of: March 31, 2015; the expiration or termination of the collaboration agreement between the parties; the acquisition of the Diagnostics Company by PDI; or default by the Diagnostics Company. PDI recorded the loan receivable within *Other current assets* in the Condensed Consolidated Balance Sheets.

Other Arrangements

In October 2013, the Company entered into phase one of a collaboration agreement to commercialize CardioPredict™, a molecular diagnostic test developed by Transgenomic, in the United States. Under the terms of the collaboration agreement, PDI was responsible for all U.S.-based marketing and promotion of CardioPredict™, while Transgenomic would be responsible for processing CardioPredict™ in its state-of-the-art CLIA lab and all customer support. Both parties were responsible for their respective expenses. Subsequently, the Company has determined that it would not enter into the second phase of the collaboration agreement with Transgenomic and notified Transgenomic of its decision to terminate the collaboration agreement effective June 30, 2014.

PDI's costs related to both of these agreements are expensed in the Company's PC Services segment and reflected in *Cost of services* or *Selling, general and administrative expenses* in the Consolidated Statement of Comprehensive Loss, depending upon the underlying nature of the expenses incurred.

15. SUBSEQUENT EVENT

On October 31, 2014, the Company and its wholly-owned subsidiary, Interpace, entered into an Agreement and Plan of Merger (the Agreement) to acquire RedPath Integrated Pathology, Inc. (RedPath), a molecular diagnostics company helping physicians better manage patients at risk for certain types of gastrointestinal cancers through its proprietary PathFinderTG® platform (the Transaction), and related documents (collectively, the Transaction Documents). This Transaction establishes Interpace in the upper gastroenterology cancer diagnostic market and provides the Company a growth platform in the diagnostic oncology space, particularly in endocrine and gastrointestinal cancer.

In addition to the Agreement, the Transaction Documents, dated October 31, 2014, include the following:

- a Non-negotiable Subordinated Secured Promissory Note (the Note), dated October 31, 2014, by the Company in favor of RedPath Equityholder Representative, LLC (the Equityholder Representative);
- a Contingent Consideration Agreement with the Equityholder Representative (the Contingent Consideration Agreement);
- a Credit Agreement among the Company and the financial institutions party thereto from time to time as lenders (the Lenders) and SWK Funding LLC, as agent for the Lenders (the Agent);
- a Guarantee and Collateral Agreement by PDI, Inc. and certain of its subsidiaries, in favor of SWK Funding LLC (the Senior Guarantee);
- a Guarantee and Collateral Agreement (the Subordinated Guarantee) by the Company and certain of its subsidiaries in favor of the Equityholder Representative; and
- a Subordination and Intercreditor Agreement (the Intercreditor Agreement) by and among the Company, the Equityholder Representative and the Agent.

The Agreement, the Note, the Subordinated Guarantee and the Contingent Consideration Agreement

Under the terms of the Agreement, the Company paid $12.0 million in cash to the Equityholder Representative, on behalf of the equityholders of RedPath (the Equityholders), at the closing of the Transaction. The Agreement contains customary representations, warranties and covenants of the Company and RedPath. Subject to certain limitations, the parties will be required to indemnify each other for damages resulting from breaches of the representations, warranties and covenants made in the Agreement and certain other matters.

The Company also issued an interest-free Note to the Equityholder Representative, on behalf of the Equityholders, at the closing of the Transaction for $11.0 million to be paid in eight equal consecutive quarterly installments beginning October 1, 2016. The interest rate will be 5.0% in the event of a default under the Note. The obligations of the Company under the Note are guaranteed by the Company and its Subsidiaries pursuant to the Subordinated Guarantee in favor of the Equityholder Representative. Pursuant to the Subordinated Guarantee, the Company and its Subsidiaries also granted a security interest in substantially all of their assets, including intellectual property, to secure their obligations to the Equityholder Representative.

In connection with the Transaction, the Company and Interpace also entered into the Contingent Consideration Agreement with the Equityholder Representative. Pursuant to the Contingent Consideration Agreement, the Company has agreed to issue to the Equityholders 500,000 shares of the Company's common stock, par value $0.01 (Common Stock), upon acceptance for publication of a specified article related to PathFinderTG® for the management of Barrett's esophagus, and an additional 500,000 shares of the Company's Common Stock upon the commercial launch of PathFinderTG® for the management of Barrett's esophagus (collectively, the Common Stock Milestones). In the event of a change of control of the Company, Interpace or RedPath on or before April 30, 2016, the Common Stock Milestones not then already achieved will be accelerated and the Equityholders will be immediately entitled to receive the Common Stock not yet previously issued to them. The Equityholders are entitled to an additional $5 million cash payment upon the achievement by the Company of $14.0 million or more in annual net sales of PathFinderTG® for the management of Barrett's esophagus and a further $5 million cash payment upon the achievement by the Company of $37.0 million or more in annual net sales of a basket of assays of Interpace and RedPath. In addition, the Company is obligated to pay revenue based payments

through 2025 of 6.5% on annual net sales above $12.0 million of PathFinderTG®-Pancreas, 10% on annual net sales up to $30 million of PathFinderTG® for the management of Barrett's esophagus and 20% on annual net sales above $30 million of PathFinderTG® for the management of Barrett's esophagus.

The Credit Agreement, the Senior Guarantee and the Intercreditor Agreement

In connection with the Transaction, the Company entered into the Credit Agreement with the Agent and the Lenders. Pursuant to and subject to the terms of the Credit Agreement, the Lenders agreed to provide a term loan to the Company in the aggregate principal amount of $20.0 million (the Loan). The maturity date of the loan is October 31, 2020. The Loan bears interest at the greater of (a) three month LIBOR and (b) 1.0%, plus a margin of 12.5%, payable in cash quarterly in arrears, beginning on February 17, 2015. The interest rate will be increased by 3.0% in the event of a default under the Credit Agreement. Beginning in January 2017, the Company will be required to make principal payments on the Loan. Beginning in January 2017 and ending on October 31, 2020, subject to a $250,000 per quarter cap, the Lenders will be entitled to receive quarterly revenue based payments from the Company equal to 1.25x of revenue derived from net sales of molecular diagnostics products (the Synthetic Royalty).

The Company agreed to pay certain out-of-pocket costs and expenses incurred by the Lenders and the Agent in connection with the Credit Agreement and related documents, the administration of the Loan and related documents or the enforcement or protection of the Lenders' rights. The Lenders are also entitled to (a) a $0.3 million origination fee and (b) a $0.8 million exit fee. In addition, if the Loan is prepaid, the Lenders are entitled to (c) a prepayment fee equal to 6.0% of the Loan if the Loan is prepaid on or after October 31, 2015 but prior to October 31, 2016, 5.0% of the Loan if the Loan is prepaid on or after October 31, 2016 but prior to October 31, 2017 and 2.0% if the Loan is prepaid on or after October 31, 2017 but prior to October 31, 2018, and (d) a prepayment premium applicable to the Synthetic Royalty equal to (i)(1) 1.25% multiplied by (2) the lesser of (A) $80.0 million and (B) the aggregate revenue on net sales of molecular diagnostics products for the four most recently-completed fiscal quarters, multiplied by (ii) the number of days remaining until October 31, 2020, divided by (iii) 360. The Company must also make a mandatory prepayment in connection with the disposition of certain of the Company's assets.

Pursuant to the Senior Guarantee, the obligations of the Company under the Credit Agreement are guaranteed by the Company and its Subsidiaries in favor of the Agent for the benefit of the Lenders. The Credit Agreement contains customary representations and warranties in favor of the Agent and the Lenders and certain covenants, including among other things, financial covenants relating to liquidity and revenue targets.

The Company received net proceeds of approximately $19.6 million following payment of certain fees and expenses in connection with the Credit Agreement.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Securities Exchange Act of 1934 (the Exchange Act). Statements that are not historical facts, including statements about our plans, objectives, beliefs and expectations, are forward-looking statements. Forward-looking statements include statements preceded by, followed by or that include the words "believes," "expects," "anticipates," "plans," "estimates," "intends," "projects," "should," "may," "will" or similar words and expressions. These forward-looking statements are contained throughout this Form 10-Q.

Forward-looking statements are only predictions and are not guarantees of future performance. These statements are based on current expectations and assumptions involving judgments about, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. These statements are also affected by known and unknown risks, uncertainties and other factors that may cause our actual results to be materially different from those expressed or implied by any forward-looking statement. Many of these factors are beyond our ability to control or predict. Such factors include, but are not limited to, the following:

- Changes in outsourcing trends or a reduction in promotional, marketing and sales expenditures in the pharmaceutical, biotechnology and healthcare industries;
- Our customer concentration risk in light of continued consolidation within the pharmaceutical industry and our current business development opportunities;
- Early termination of a significant services contract, the loss of one or more of our significant customers or a material reduction in service revenues from such customers;
- Our ability to obtain additional funds in order to implement our business model and strategy;
- Our ability to successfully identify, complete and integrate any future acquisitions or successfully complete and integrate our diagnostic commercialization opportunities and the effects of any such items on our revenues, profitability and ongoing business;
- Our ability to meet performance goals in incentive-based arrangements with customers;
- Our ability to successfully negotiate contracts with reasonable margins and favorable payment terms;
- Competition in our industry;
- Our ability to attract and retain qualified sales representatives and other key employees and management personnel;
- Product liability claims against us;
- Failure of third-party service providers to perform their obligations to us;
- Volatility of our stock price and fluctuations in our quarterly and annual revenues and earnings;
- Failure of, or significant interruption to, the operation of our information technology and communication systems; and
- The results of any future impairment testing for goodwill and other intangible assets.

Please see Part I – Item 1A – "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2013, as well as other documents we file with the United States Securities and Exchange Commission (SEC) from time-to-time, for other important factors that could cause our actual results to differ materially from our current expectations as expressed in the forward-looking statements discussed in this Form 10-Q. Because of these and other risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. In addition, these statements speak only as of the date of the report in which they are set forth and, except as may be required by law, we undertake no obligation to revise or update publicly any forward-looking statements for any reason.

OVERVIEW

We are a leading provider of outsourced commercial services to established and emerging pharmaceutical, biotechnology and healthcare companies in the United States. We are a leading provider of outsourced sales teams that target healthcare providers, offering a range of complementary sales support services designed to achieve our customers' strategic and financial product objectives. In addition to outsourced sales teams, we also provide other promotional services including clinical educator services, digital communications, teledetailing and through our Interpace BioPharma business unit, we provide pharmaceutical, biotechnology, medical device and diagnostics clients with full-service product commercialization solutions. Combined, our services offer customers a range of both personal and non-personal promotional options for the commercialization of their products throughout their lifecycles, from development through maturity. We provide innovative and flexible service offerings designed to drive our customers' businesses forward and successfully respond to a continually changing market. Our services provide a vital link between our customers and the medical community through the communication of product information to physicians and other healthcare professionals for use in the care of their patients. We provide these services through three reporting segments: Sales Services; Marketing Services; and Product Commercialization Services. These segments are described in detail under the caption *Description of Reporting Segments* below.

Our business depends in large part on demand from the pharmaceutical, biotechnology and healthcare industries for outsourced promotional services. In recent years, this demand has been impacted by certain industry-wide factors affecting pharmaceutical, biotechnology and healthcare companies, including, among other things, pressures on pricing and access, successful challenges to intellectual property rights (including the introduction of competitive generic products), a strict regulatory environment, decreased pipeline productivity and a slow-down in the rate of approval of new products by the United States Food and Drug Administration (FDA). Additionally, a number of pharmaceutical companies have made changes to their commercial models by reducing the internal number of sales representatives. A significant portion of our revenue is derived from our sales force arrangements with large pharmaceutical companies, and we have therefore benefited from cost control measures implemented by these companies and their resultant increased reliance on outsourced promotional services. However, we are also experiencing fluctuations in revenue due to certain clients renewing with a smaller salesforce and the expiration of certain other contracts due to the timing of new business and the variable nature of our business. We believe that we will continue to experience a high degree of customer concentration and this trend may continue as a result of the continuing consolidation within the pharmaceutical industry.

With our proven record of outsourced promotional services expertise, we took action on our stated strategy of searching for product in-licensing, acquisition and partnering opportunities that could add more predictable, higher growth, higher margin business that can reduce the natural volatility of our current core businesses, and at the same time leverage the breadth of our installed infrastructure and strength of our core commercialization capabilities. Through our Interpace Diagnostics entity, we have executed on our announced strategy of becoming a leading commercialization company for the molecular diagnostics industry via in-licensing, acquiring or partnering. Given our proven core sales and marketing and full commercialization capabilities, we believe this is a natural extension for us and the strength of these core capabilities, our installed infrastructure and the ability to gain synergies significantly mitigates the risks associated with this strategy.

On October 31, 2014,we and our wholly-owned subsidiary, Interpace Diagnostics, LLC (Interpace), entered into an Agreement and Plan of Merger (the Agreement) to acquire RedPath Integrated Pathology, Inc. (RedPath), a molecular diagnostics company helping physicians better manage patients at risk for certain types of gastrointestinal cancers through its proprietary PathFinderTG® platform (the Transaction). The Transaction establishes Interpace in the upper gastroenterology cancer diagnostic market and provides us a growth platform in the diagnostic oncology space, particularly in endocrine and gastrointestinal cancer. We paid $12.0 million in cash at the closing and issued an interest-free note for $11.0 million to be paid in eight equal consecutive quarterly installments beginning October 1, 2016. The interest rate will be 5.0% in the event of a default under the Note.

We also entered into the Contingent Consideration Agreement. Pursuant to the Contingent Consideration Agreement, we agreed to issue 500,000 shares of our common stock, par value $0.01 (Common Stock), upon acceptance for publication of a specified article related to PathFinderTG® for the management of Barrett’s esophagus, and an additional 500,000 shares of the Company’s Common Stock upon the commercial launch of PathFinderTG® for the management of Barrett’s esophagus (collectively, the Common Stock Milestones). We are obligated to make an additional $5 million cash payment upon our achievement of $14.0 million or more in annual net sales of PathFinderTG® for the management of Barrett’s esophagus and a further $5 million cash payment upon our achievement of $37.0 million or more in annual net sales of a basket of assays of Interpace and RedPath. In addition, we are obligated to pay revenue based payments through 2025 of 6.5% on annual net sales above $12.0 million of PathFinderTG®-Pancreas, 10% on annual net sales up to $30 million of PathFinderTG® for the management of Barrett’s esophagus and 20% on annual net sales above $30 million of PathFinderTG® for the management of Barrett’s esophagus.

In connection with the Transaction, we entered into the Credit Agreement. Pursuant to and subject to the terms of the Credit Agreement, we were provided a term loan in the aggregate principal amount of $20.0 million (the Loan). The maturity date of

the loan is October 31, 2020. The Loan bears interest at the greater of (a) three month LIBOR and (b) 1.0%, plus a margin of 12.5%, payable in cash quarterly in arrears, beginning on February 17, 2015. Beginning in January 2017, we will be required to make principal payments on the Loan. Beginning in January 2017 and ending on October 31, 2020, subject to a $250,000 per quarter cap, we will be required to pay quarterly revenue based payments equal to 1.25x of revenue derived from net sales of molecular diagnostics products. See Note 15 Subsequent Event included in this quarterly report of Form 10-Q for additional information regarding this Transaction.

On August 13, 2014, we entered into a definitive agreement to acquire the worldwide rights to the thyroid and pancreas diagnostic product lines from Asuragen, Inc (Asuragen). We paid $8.0 million at closing and will pay an additional $0.5 million at the end of the transition period, plus an additional milestone payment of $0.5 million contingent upon the launch of the pancreas product. In addition, we will pay royalties of 5% on the future net sales of the pancreas product line for 10 years and 3.5% on the future net sales of the thyroid diagnostics product line for 10 years plus 1.5% on the future net sales of certain other products.

In October 2013, we entered into phase one of a collaboration agreement to commercialize CardioPredict™, a molecular diagnostic test developed by Transgenomic, in the United States. Under the terms of the collaboration agreement, we were responsible for all U.S.-based marketing and promotion of CardioPredict™, while Transgenomic would be responsible for processing CardioPredict™ in its state-of-the-art CLIA lab and all customer support. Both parties were responsible for their respective expenses. We have subsequently determined that we would not enter into the second phase of the collaboration agreement with Transgenomic and have notified Transgenomic of our decision to terminate the collaboration agreement effective June 30, 2014.

In August 2013, we entered into phase one of a collaboration agreement with a privately held, emerging molecular diagnostics company (the Diagnostics Company) to commercialize their fully-developed, molecular diagnostic tests. The Diagnostics Company does not have experience in, or a history of, successfully commercializing diagnostic products. The initial test to be commercialized is fully developed. Under the terms of the collaboration agreement, we paid an initial fee of $1.5 million. In August 2014, we entered into an amendment to the collaboration agreement with the Diagnostics Company reducing the option price to a maximum amount of $3.0 million plus any amounts outstanding under the loan to the Diagnostics Company. If we purchase the outstanding common stock of the Diagnostics Company, in addition to the option price, beginning in 2015, we would pay a royalty of 5.5% on annual net revenue up to $50.0 million with escalating royalty percentages for higher annual net revenue capped at 7.5% for annual net revenue in excess of $100.0 million. We can terminate the amended collaboration agreement if all milestones are not achieved by March 31, 2015. If all milestones are achieved by March 31, 2015 and we have not exercised our option, the Diagnostics Company can terminate the collaboration agreement and pay us a termination fee of approximately $1.5 million.

The amended collaboration agreement gives us the right to extend the effective date of termination until to September 30, 2015 by making a payment of $0.5 million (the Extension Fee) to the Diagnostics Company. If the Extension Fee is paid, and we thereafter purchase the outstanding stock of the Diagnostics Company, then the option price due at closing will be reduced by the amount of the Extension Fee. The amendment to the collaboration agreement eliminated the Diagnostics Company's ability to require us to exercise the option to purchase the outstanding common stock of the Diagnostics Company.

While we recognize that there is currently significant volatility in the markets in which we provide services, we believe there are opportunities for growth in our Sales Services, Marketing Services and Product Commercialization Services businesses. These businesses provide our customers with the flexibility to successfully respond to a constantly changing market and a means of controlling costs through promotional outsourcing partnerships. We have recently intensified our focus on strengthening all aspects of the core outsourced pharmaceutical sales teams business that we believe will most favorably position PDI as the leading outsourced promotional services organization in the United States. In addition, we continue to diligently evaluate the risks and rewards of opportunities within our PC Services segment as they arise, while enhancing future value-added service offerings, as well as continue to evaluate acquisitions that will enhance our current service offerings and provide new business opportunities.

DESCRIPTION OF REPORTING SEGMENTS

For the quarter ended September 30, 2014, our three reporting segments were as follows:

- Sales Services, which consists of the following business units:
  - Dedicated Sales Teams;
  - Established Relationship Teams; and
  - EngageCE.

- Marketing Services, which consists of the following business units:
  - Group DCA;
    and
  - Voice.
- Product Commercialization Services (PC Services), which consists of the following business units:
  - Interpace BioPharma;
    and
  - Interpace
    Diagnostics.

Selected financial information for each of these segments is contained in Note 11, Segment Information, to these interim financial statements and in the discussion under the caption *Consolidated Results of Operations.*

Nature of Contracts by Segment

Sales Services

Contracts within our Sales Services reporting segment consist primarily of detailing agreements and are nearly all fee-for-service arrangements. The term of these contracts is typically between one and three years. On occasion, certain contracts have terms that are modestly shorter or longer due to the seasonal nature of the products or at the request of the customer. All agreements, whether or not specifically provided for by terms within the contract, may be renewed or extended upon mutual agreement of the parties. Renewed or extended contracts may include revised terms for provisions such as pricing, penalties, incentives and performance metrics.

The majority of our Sales Services contracts are terminable by the customer without cause upon 30 days' to 120 days' prior written notice. Additionally, certain contracts include provisions mandating that such notice may not be provided prior to a pre-determined future date and also provide for termination payments if the customer terminates the agreement without cause. Typically, however, the total compensation provided by minimum service periods (otherwise referred to as minimum purchase obligations) and termination payments within any individual agreement will not fully offset the revenue we would have earned from fully executing the contract or the costs we may incur as a result of its early termination. The loss or termination of multiple Sales Services contracts could have a material adverse effect on our financial condition, results of operations and cash flow.

Our Sales Services contracts generally include standard mutual representations and warranties as well as mutual confidentiality and indemnification provisions, including product liability indemnification for our protection. Some of our contracts also include exclusivity provisions limiting our ability to promote competing products during the contract service period unless consent has been provided by the customer, and may also require the personnel we utilize to be dedicated exclusively to promoting the customer's product for the term of the contract.

Some of our contracts, including contracts with significant customers of ours, may contain performance benchmarks requiring adherence to certain call plan metrics, such as a minimum amount of detailing activity to certain physician targets. Our failure to meet these benchmarks may result in specific financial penalties for us such as a reduction in our program management fee on our dedicated sales agreements, or a discount on the fee we are permitted to charge per detail on our established relationships agreements. Conversely, these same agreements generally include risk-based metrics which allow for incentive payments that can be earned if our promotional activities generate results that meet or exceed agreed-upon performance targets.

All of our contracts provide for certain reimbursable out-of-pocket expenses such as travel, meals and entertainment or product sample distribution costs, for which we are reimbursed at cost by our customers. Certain contracts may also provide for reimbursement of other types of expenses depending upon the type of services we are providing to the customer.

Marketing Services

Our Marketing Services reporting segment is comprised of our Group DCA and Voice business units. Our Group DCA business unit enters into contracts and performs services with our major clients that fall under the scope of a master service agreement(s) (MSAs) or statements of work (SOWs) and typically have a term of one to three years. These MSAs, and in certain instances, SOWs, include standard representations and warranties, as well as confidentiality and indemnification obligations, and are generally terminable by the customer or us, without cause or prior written notice, for any reason. If terminated, the customer is responsible for work completed to date, plus the cost of any nonrefundable commitments we made on their behalf. There is significant customer concentration within our Group DCA business unit.

Our Voice business unit enters into contracts and performs services with our clients that generally take the form of MSAs and typically have a term of three months to one year.

PC Services

Our PC Services segment currently consists of our Interpace BioPharma business unit and our two collaboration agreements entered into in connection with our strategy of becoming a leading commercialization company for the molecular diagnostics industry.

In August 2011, Interpace BioPharma announced a two and one-half year fee-for-service arrangement with a pharmaceutical company. This contract includes standard representations and warranties, as well as mutual confidentiality and indemnification obligations for our protection, and is terminable by the customer without cause upon 180 days prior written notice after the first anniversary of the contract effective date. This contract includes incentive payments that can be earned if our promotional activities generate results that meet or exceed agreed-upon performance targets. In addition, this contract provides for certain reimbursable out-of-pocket expenses such as travel, meals and entertainment and product sample distribution costs, for which we are reimbursed at cost by our customer.

Due to the success of the program and to allow our customer to begin their long-term plan of building their own capabilities in the United States, this customer advised us that they wished to internalize selected commercialization activities as of October 1, 2012 and at the same time, extend other activities six months past the original December 31, 2013 contract expiration date to June 30, 2014. As anticipated, the contract terminated on its June 30, 2014 contract expiration date. During the quarter ended June 30, 2014, this one customer accounted for all of the revenue in our PC Services segment.

We entered into two separate collaboration agreements to commercialize molecular diagnostic tests in 2013. Under the terms of our October 2013 strategic collaboration agreement with Transgenomic, we were responsible for all U.S.-based marketing and promotion of CardioPredict™. Prior to determining not to enter the second phase of the collaboration agreement with Transgenomic and notifying Transgenomic of our decision to terminate the collaboration agreement effective June 30, 2014, we bore the cost of our expenses only. For the nine-month period ended September 30, 2014, the Company incurred $0.4 million of costs related to this agreement.

Under the terms of our August 2013 collaboration agreement with a privately held molecular diagnostics company (the Diagnostics Company), that we amended in August 2014, if we enter into the second phase of the amended collaboration arrangement, we will be responsible for the full commercialization of their molecular diagnostic tests. Under the terms of the amended collaboration agreement, we paid an initial fee of $1.5 million and have the ability to enter the second phase of the collaboration agreement in the form of a call option to purchase the outstanding common stock of the Diagnostics Company. The option price is dependent on the achievement of commercialization during the collaboration period (the period up to the exercise of the purchase option or termination of the collaboration agreement) and could be up to $3 million. We can terminate the amended collaboration agreement if commercialization is not achieved by March 31, 2015 and would receive a $1.0 million termination fee. If commercialization is achieved by March 31, 2015 and we have not exercised our option, the Diagnostics Company can terminate the collaboration agreement and pay us a termination fee of approximately $1.5 million. If we purchase the Diagnostics Company, in addition to the option price based on the achievement of milestones, beginning in 2015, we would pay a royalty of 5.5% on annual net revenue up to $50 million with escalating royalty percentages for higher annual net revenue capped at 7.5% for annual net revenue in excess of $100 million.

On August 13, 2014, we, through our wholly-owned subsidiary, Interpace, consummated an agreement to acquire fully developed thyroid and pancreas cancer diagnostic tests, other tests in development for thyroid cancer, associated intellectual property and a biobank with more than 5,000 patient tissue samples (collectively, the Acquired Property) from Asuragen, Inc. (Asuragen) pursuant to an asset purchase agreement (the Agreement). We paid $8.0 million at closing and will be obligated to pay an additional $0.5 million to Asuragen upon the successful completion by Asuragen of certain transition service obligations set forth in a transition services agreement, entered into concurrently with the Agreement. We also entered into two license agreements with Asuragen relating to the Company's ability to sell the fully developed thyroid and pancreas cancer diagnostic tests and other tests in development for thyroid cancer. In addition, we will be obligated to make a milestone payment of $0.5 million to Asuragen upon the earlier of the launch of a pancreas product or February 13, 2016, and to pay royalties of 5.0% on the future net sales of the pancreas diagnostics product line for a period of ten years following a qualifying sale, 3.5% on the future net sales of the thyroid diagnostics product line through August 13, 2024 and 1.5% on the future net sales of certain other thyroid diagnostic products for a period of ten years following a qualifying sale.

CONSOLIDATED RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, certain statements of operations data as a percentage of revenue, net. The trends illustrated in this table may not be indicative of future results.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
Revenue, net	100.0 %	100.0 %	100.0 %	100.0 %
Cost of services	87.2 %	86.3 %	85.4 %	82.5 %
Gross profit	12.8 %	13.7 %	14.6 %	17.5 %
Compensation expense	12.6 %	12.3 %	11.8 %	11.6 %
Other selling, general and administrative expenses	14.6 %	7.3 %	11.5 %	6.4 %
Total operating expenses	27.2 %	19.7 %	23.4 %	18.1 %
Operating loss	(14.4)%	(6.0)%	(8.8)%	(0.6)%
Other expense, net	(0.1)%	— %	(0.1)%	— %
Loss from continuing operations before income tax	(14.5)%	(6.0)%	(8.9)%	(0.6)%
Provision for income tax	0.2 %	0.2 %	0.2 %	0.2 %
Loss from continuing operations	(14.7)%	(6.2)%	(9.1)%	(0.8)%

Results of Continuing Operations for the Quarter Ended September 30, 2014 Compared to the Quarter Ended September 30, 2013

Overview

We operate in three business segments: Sales Services; Marketing Services; and PC Services. During and subsequent to the quarter ended September 30, 2014 we differentiated ourselves by acting on our strategy of adding more predictable, higher growth, higher margin business that could help reduce the natural volatility of our current core business. We are and will continue to leverage the breadth of our installed infrastructure and the strength of our core commercialization capabilities. Given our proven core sales and marketing and full commercialization capabilities, we believe that this is a natural extension for us and the strength of our core capabilities, installed infrastructure and the ability to gain synergies significantly mitigates the risks associated with this strategy.

Revenue, net (in thousands)

	Three Months Ended September 30,			
	2014	2013	Change ($)	Change (%)
Sales Services	$ 28,186	$ 30,748	$ (2,562)	(8.3)%
Marketing Services	1,006	781	225	28.8 %
PC Services	53	2,731	(2,678)	(98.1)%
Total	$ 29,245	$ 34,260	$ (5,015)	(14.6)%

Consolidated revenue, net (revenue) for the quarter ended September 30, 2014 decreased by $5.0 million, or 14.6%, to $29.2 million, compared to the quarter ended September 30, 2013. The decrease was primarily a result of the natural expiration of a contract in PC Services segment at the end of the second quarter of 2014 and the expiration or reduction of contracts being executed in our Sales Services segment exceeding the contracts entered into in 2014.

Revenue in our Sales Services segment for the quarter ended September 30, 2014 decreased by $2.6 million, or 8.3%, to $28.2 million, compared to the quarter ended September 30, 2013. The decrease in Sales Services revenue, as mentioned above, was primarily due to the expiration or reduction of contracts being executed in 2014 exceeding the contracts entered into.

Revenue in our Marketing Services segment for the quarter ended September 30, 2014 increased $0.2 million, or 28.8%, to $1.0 million, compared to the quarter ended September 30, 2013. This increase was due to an increase in revenue at our Group DCA business unit.

Revenue in our PC Services segment for the quarter ended September 30, 2014 decreased $2.7 million, or 98.1%, to $0.1 million in the second quarter of 2013 due to the natural expiration of our contract on June 30, 2014.

Cost of services (in thousands)

	Three Months Ended September 30,			
	2014	2013	Change ($)	Change (%)
Sales Services	$ 24,117	$ 26,710	$ (2,593)	(9.7)%
Marketing Services	1,263	791	472	59.7 %
PC Services	130	2,063	(1,933)	(93.7)%
Total	$ 25,510	$ 29,564	$ (4,054)	(13.7)%

Consolidated cost of services for the quarter ended September 30, 2014 decreased by $4.1 million, or 13.7%, to $25.5 million, compared to the quarter ended September 30, 2013. This decrease was due to the 2014 expiration or reduction of contracts being executed within our Sales Services segment and our PC Services contract ending June 30, 2014.

Cost of services in our Sales Services segment for the quarter ended September 30, 2014 decreased by $2.6 million, or 9.7%, to $24.1 million, compared to the quarter ended September 30, 2013. This decrease was directly attributable to the decrease in revenue discussed above.

Cost of services in our Marketing Services segment for the quarter ended September 30, 2014 increased slightly to $1.3 million, as compared to $0.8 million for the quarter ended September 30, 2013. This increase was attributable to the increase in revenue and costs related to right-sizing the work force in the business unit.

Cost of services in our PC Services segment for the quarter ended September 30, 2014 decreased by $1.9 million compared to the quarter ended September 30, 2013 as a result of the contract ending June 30, 2014.

Gross profit (in thousands)

Three Months Ended September 30,	Sales Services	% of Sales	Marketing Services	% of Sales	PC Services	% of Sales	Total	% of Sales
2014	$ 4,069	14.4%	$ (257)	(25.5)%	$ (77)	NM	$ 3,735	12.8%
2013	4,038	13.1%	(10)	(1.3)%	668	24.5%	4,696	13.7%
Change	$ 31		$ (247)		$ (745)		$ (961)	

Consolidated gross profit for the quarter ended September 30, 2014 decreased by $1.0 million, or 20.5%, to $3.7 million, compared to the quarter ended September 30, 2013. The change in consolidated gross profit was primarily attributable to the decrease in revenue in our PC Services segment due to the contract naturally ending and the negative gross profit attributable in our Marketing Services segment.

The gross profit percentage in our Sales Services segment for the quarter ended September 30, 2014 increased to 14.4%, from 13.1% in the quarter ended September 30, 2013. This increase was primarily due to slightly improved overall margins within our Dedicated Sales Teams.

The gross profit percentage in our Marketing Services segment for the quarter ended September 30, 2014 decreased to a negative 25.5%, from (1.3)% in the quarter ended September 30, 2013. This decrease was primarily due to costs related to right-sizing the work force in the third quarter of 2014.

The gross profit percentage in our PC Services segment for the quarter ended September 30, 2014 was primarily due to the expenses related to a collaboration agreement for our molecular diagnostic strategy in Interpace Diagnostics and the Interpace BioPharma contract ending on June 30, 2014.

Compensation expense (in thousands)

Three Months Ended September 30,	Sales Services	% of Sales	Marketing Services	% of Sales	PC Services	% of Sales	Total	% of Sales
2014	$ 2,809	10.0%	$ 574	57.1%	$ 295	556.6%	$ 3,678	12.6%
2013	3,441	11.2%	670	85.8%	120	4.4%	4,231	12.3%
Change	$ (632)		$ (96)		$ 175		$ (553)	

Consolidated compensation expense for the quarter ended September 30, 2014 decreased by $0.6 million, to $3.7 million, as compared to the quarter ended September 30, 2013. As a percentage of consolidated revenue, consolidated compensation expense increased to 12.6% for the quarter ended September 30, 2014, from 12.3% for the quarter ended September 30, 2013, due to the decrease revenue.

Compensation expense in our Sales Services segment for the quarter ended September 30, 2014 decreased $0.6 million, or 18.4%, to $2.8 million compared to the quarter ended September 30, 2013. As a percentage of segment revenue, compensation expense decreased 1.2%, to 10.0% for the quarter ended September 30, 2014, from 11.2% for the quarter ended September 30, 2013, due to the decrease in Sales Services compensation costs.

Compensation expense in our Marketing Services segment for the quarter ended September 30, 2014 decreased by $0.1 million, to $0.6 million, compared to the quarter ended September 30, 2013. As a percentage of segment revenue, compensation expense decreased 28.7%, to 57.1% for the quarter ended September 30, 2014, from 85.8% for the quarter ended September 30, 2013. The decrease in segment compensation expense as a percentage of segment revenue was a result of the increase in revenue within the segment as well as the decrease in compensation costs.

Compensation expense in our PC Services segment for the quarter ended September 30, 2014 is attributable to the employee costs in Interpace Diagnostics as we act upon our strategy and the allocated costs of corporate support activities. Compensation expense for the quarter ended September 30, 2013 is attributable to the allocated costs of corporate support activities.

Other selling, general and administrative expenses (in thousands)

Three Months Ended September 30,	Sales Services	% of Sales	Marketing Services	% of Sales	PC Services	% of Sales	Total	% of Sales
2014	$ 2,006	7.1%	$ 452	44.9%	$ 1,822	NM	$ 4,280	14.6%
2013	1,913	6.2%	497	63.6%	107	3.9%	2,517	7.3%
Change	$ 93		$ (45)		$ 1,715		$ 1,763	

Consolidated other selling, general and administrative expenses for the quarter ended September 30, 2014 increased by $1.8 million, to $4.3 million, compared to the quarter ended September 30, 2013. The increase was driven by $1.3 million in costs related to collaboration agreement efforts as we execute on our molecular diagnostic strategy. As a percentage of consolidated revenue, consolidated other selling, general and administrative expenses increased to 14.6% for the quarter ended September 30, 2014, from 7.3% in the quarter ended September 30, 2013, due to the increase in PC Services other selling, general and administrative expenses and the decrease in revenue discussed above.

Other selling, general and administrative expenses in our Sales Services segment for the quarter ended September 30, 2014 increased by $0.1 million, to $2.0 million, compared to the quarter ended September 30, 2013, primarily due to the increase in allocated corporate costs. As a percentage of segment revenue, other selling, general and administrative expenses increased 0.9%, to 7.1% for the quarter ended September 30, 2014, from 6.2% in the quarter ended September 30, 2013, primarily due to the decrease in segment revenue.

Other selling, general and administrative expenses in our Marketing Services segment for the quarter ended September 30, 2014 declined slightly when compared to the quarter ended September 30, 2013. Other selling, general and administrative expenses as a percentage of revenue decreased 18.7%, to 44.9% for the quarter ended September 30, 2014, from 63.6% in the quarter ended September 30, 2013 due to the increase in segment revenue.

Other selling, general and administrative expense in our PC Services segment for the quarter ended September 30, 2014 of $1.8 million represents the costs related to investing in our molecular diagnostic strategy and the allocated cost of corporate support activities. Other selling, general and administrative expense for the quarter ended September 30, 2013 of $0.1 million represents the allocated cost of corporate support activities.

Operating loss

We had operating losses of $4.2 million and $2.1 million for the quarters ended September 30, 2014 and 2013, respectively. The increase in operating loss was primarily due to the PC Services contract ending on June 30, 2014 as well as the efforts related to our molecular diagnostic strategy.

Provision for income tax

We had income tax expense of approximately $0.1 million for each of the quarters ended September 30, 2014 and September 30, 2013. Income tax expense for the quarters ended September 30, 2014 and September 30, 2013 was primarily due to state and local taxes as we and our subsidiaries file separate income tax returns in numerous state and local jurisdictions.

Results of Continuing Operations for the Nine Months Ended September 30, 2014 Compared to the Nine Months Ended September 30, 2013

Revenue, net (in thousands)

	Nine Months Ended September 30,			
	2014	2013	Change ($)	Change (%)
Sales Services	$ 85,048	$ 101,267	$ (16,219)	(16.0)%
Marketing Services	2,623	3,966	(1,343)	(33.9)%
PC Services	5,930	9,195	(3,265)	(35.5)%
Total	$ 93,601	$ 114,428	$ (20,827)	(18.2)%

Consolidated revenue for the nine months ended September 30, 2014 decreased by $20.8 million, or 18.2%, to $93.6 million, compared to the nine months ended September 30, 2013. The decrease was primarily a result of the expiration or reduction of contracts being executed in our Sales Services segment exceeding the contracts entered into in 2014.

Revenue in our Sales Services segment for the nine months ended September 30, 2014 decreased by $16.2 million, or 16.0%, to $85.0 million, compared to the nine months ended September 30, 2013. The decrease in Sales Services revenue was primarily due to the expiration or reduction of contracts being executed in 2014 exceeding the contracts entered into.

Revenue in our Marketing Services segment for the nine months ended September 30, 2014 decreased $1.3 million, or 33.9%, to $2.6 million, compared to the nine months ended September 30, 2013. This decrease was primarily due to a decline in revenue at our Group DCA business unit as a result of fewer contract signings.

Revenue in our PC Services segment for the nine months ended September 30, 2014 decreased $3.3 million, or 35.5%, to $5.9 million, compared to the nine months ended September 30, 2013. This decrease was primarily attributable to natural expiration of our commercialization contract as of June 30, 2014.

Cost of services (in thousands)

	Nine Months Ended September 30,			
	2014	2013	Change ($)	Change (%)
Sales Services	$ 71,471	$ 84,658	$ (13,187)	(15.6)%
Marketing Services	3,574	2,954	620	21.0 %
PC Services	4,921	6,798	(1,877)	(27.6)%
Total	$ 79,966	$ 94,410	$ (14,444)	(15.3)%

Consolidated cost of services for the nine months ended September 30, 2014 decreased by $14.4 million, or 15.3%, to $80.0 million, compared to the nine months ended September 30, 2013. This decrease was primarily due to the 2014 expiration or reduction of contracts being executed within our Sales Services segment.

Cost of services in our Sales Services segment for the nine months ended September 30, 2014 decreased by $13.2 million, or 15.6%, to $71.5 million, compared to the nine months ended September 30, 2013. This decrease was directly attributable to the decrease in revenue discussed above.

Cost of services in our Marketing Services segment for the nine months ended September 30, 2014 increased to $3.6 million, compared to the $3.0 million for the nine months ended September 30, 2013. This increase was attributable to right-sizing the work force.

Cost of services in our PC Services segment for the nine months ended September 30, 2014 decreased to $4.9 million, compared to the nine months ended September 30, 2013 as a result of the natural expiration of the contract ending on June 30, 2014.

Gross profit (in thousands)

Nine Months Ended September 30,	Sales Services	% of Sales	Marketing Services	% of Sales	PC Services	% of Sales	Total	% of Sales
2014	$ 13,577	16.0%	$ (951)	(36.3)%	$ 1,009	17.0%	$ 13,635	14.6%
2013	16,609	16.4%	1,012	25.5 %	2,397	26.1%	20,018	17.5%
Change	$ (3,032)		$ (1,963)		$ (1,388)		$ (6,383)	

Consolidated gross profit for the nine months ended September 30, 2014 decreased by $6.4 million, or 31.9%, to $13.6 million, compared to the nine months ended September 30, 2013. The change in consolidated gross profit was primarily attributable to the decrease in revenue in our Sales Services segment and the negative gross profit attributed to our Marketing Services segment.

The gross profit percentage in our Sales Services segment for the nine months ended September 30, 2014 decreased to 16.0%, from 16.4% in the nine months ended September 30, 2013. This decrease was primarily due to lower margins on our Dedicated Sales Teams.

The gross profit percentage in our Marketing Services segment for the nine months ended September 30, 2014 decreased to a negative 36.3%, from 25.5% in the nine months ended September 30, 2013. This decrease was primarily due to the impact of certain fixed costs over a lower revenue base and the business unit not being able to reduce its cost structure enough due to the launch of its new product, PD One™.

The gross profit percentage in our PC Services segment for the nine months ended September 30, 2014 decreased to 17.0%, from 26.1% in the nine months ended September 30, 2013. The decrease in gross profit percentage was primarily due to the expenses related to our molecular diagnostic strategy in Interpace Diagnostics.

Compensation expense (in thousands)

Nine Months Ended September 30,	Sales Services	% of Sales	Marketing Services	% of Sales	PC Services	% of Sales	Total	% of Sales
2014	$ 8,719	10.3%	$ 1,589	60.6%	$ 773	13.0%	$ 11,081	11.8%
2013	10,935	10.8%	1,980	49.9%	385	4.2%	13,300	11.6%
Change	$ (2,216)		$ (391)		$ 388		$ (2,219)	

Consolidated compensation expense for the nine months ended September 30, 2014 decreased by $2.2 million, to $11.1 million, as compared to the nine months ended September 30, 2013. As a percentage of consolidated revenue, consolidated compensation expense increased to 11.8% for the nine months ended September 30, 2014, from 11.6% for the nine months ended September 30, 2013, due primarily to the decrease in period-over-period revenue.

Compensation expense in our Sales Services segment for the nine months ended September 30, 2014 decreased $2.2 million, or 20.3%, to $8.7 million compared to the nine months ended September 30, 2013. As a percentage of segment revenue, compensation expense decreased 0.5%, to 10.3% for the nine months ended September 30, 2014, from 10.8% for the nine months ended September 30, 2013, due to the decrease in Sales Services compensation expense.

Compensation expense in our Marketing Services segment for the nine months ended September 30, 2014 decreased by $0.4 million, to $1.6 million, compared to the nine months ended September 30, 2013. As a percentage of segment revenue, compensation expense increased 10.7%, to 60.6% for the nine months ended September 30, 2014, from 49.9% for the nine months ended September 30, 2013. The increase in segment compensation expense as a percentage of segment revenue was a result of the decrease in revenue within the segment more than offsetting the decrease in compensation costs.

Compensation expense in our PC Services segment for the nine months ended September 30, 2014 is attributable to the employee costs in our Interpace Diagnostics business unit and the allocated costs of corporate support activities. Compensation expense for the nine months ended September 30, 2013 is attributable to the allocated costs of corporate support activities.

Other selling, general and administrative expenses (in thousands)

Nine Months Ended September 30,	Sales Services	% of Sales	Marketing Services	% of Sales	PC Services	% of Sales	Total	% of Sales
2014	$ 6,063	7.1%	$ 1,750	66.7%	$ 2,984	50.3%	$ 10,797	11.5%
2013	5,643	5.6%	1,410	35.6%	311	3.4%	7,364	6.4%
Change	$ 420		$ 340		$ 2,673		$ 3,433	

Consolidated other selling, general and administrative expenses for the nine months ended September 30, 2014 increased by $3.4 million, to $10.8 million, compared to the nine months ended September 30, 2013. The increase was driven by $2.4 million in costs related to efforts surrounding our molecular diagnostic strategy and $0.3 million of costs to early terminate the Group DCA facility lease. As a percentage of consolidated revenue, consolidated other selling, general and administrative expenses increased to 11.5% for the nine months ended September 30, 2014, from 6.4% in the nine months ended September 30, 2013, due to the increase in consolidated other selling, general and administrative expenses and the decrease in revenue discussed above.

Other selling, general and administrative expenses in our Sales Services segment for the nine months ended September 30, 2014 increased by $0.4 million, to $6.1 million, compared to the nine months ended September 30, 2013, primarily due to the increase in allocated corporate costs. As a percentage of segment revenue, other selling, general and administrative expenses increased 1.5%, to 7.1% for the nine months ended September 30, 2014, from 5.6% in the nine months ended September 30, 2013, primarily due to the decrease in segment revenue.

Other selling, general and administrative expenses in our Marketing Services segment for the nine months ended September 30, 2014 increased by $0.3 million compared to the quarter ended September 30, 2013. Other selling, general and administrative expenses as a percentage of revenue increased 31.1%, to 66.7% for the nine months ended September 30, 2014, from 35.6% in the quarter ended September 30, 2013 due to the increase in other selling, general and administrative costs and the decrease in segment revenue.

Other selling, general and administrative expense in our PC Services segment for the nine months ended September 30, 2014 of $3.0 million represents the costs related to investing in our molecular diagnostic strategy and the allocated cost of corporate support activities. Other selling, general and administrative expense for the nine months ended September 30, 2013 of $0.3 million represents the allocated cost of corporate support activities during that period.

Operating loss

We had an operating loss of $8.2 million and operating an operating loss of $0.6 million for the nine months ended September 30, 2014 and 2013, respectively. The increase in operating loss was primarily due to the decrease in revenue and gross profit within both our Sales Services and Marketing Services segments as well as the efforts related to our molecular diagnostic strategy.

Provision for income tax

We had income tax expense of approximately $0.2 million for each of the nine-month periods ended September 30, 2014 and September 30, 2013. Income tax expense for the nine-month periods ended September 30, 2014 and September 30, 2013 was primarily due to state and local taxes as we and our subsidiaries file separate income tax returns in numerous state and local jurisdictions.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2014, we had cash and cash equivalents and short-term investments of approximately $27.1 million and working capital of $13.5 million, compared to cash and cash equivalents and short-term investments of approximately $45.7 million and working capital of approximately $31.3 million at December 31, 2013. As of September 30, 2014, we had no commercial debt.

For the nine-month period ended September 30, 2014, net cash used in operating activities was $8.0 million, compared to net cash provided by operations of $0.2 million for the nine-month period ended September 30, 2013. The main components of cash used in operating activities during the nine-month period ended September 30, 2014 were a net loss of $8.6 million and a decrease in accrued salaries and bonus of $2.8 million. The main components of net cash provided by operating activities during the nine-month period ended September 30, 2013 were a decrease in accounts receivable of $6.7 million and a decrease in other current

assets of $2.3 million, offset by a net loss of $0.9 million, an increase in unbilled receivables of $4.7 million and a decrease in unearned contract revenue of $2.5 million. The 2013 increase in unbilled costs and decrease in accounts receivable was primarily due to changes in billing terms in contracts with our largest customer.

As of September 30, 2014 and December 31, 2013, we had $6.3 million and $8.0 million of unbilled costs and accrued profits on contracts in progress, respectively. When services are performed in advance of billing, the value of such services is recorded as unbilled costs and accrued profits on contracts in progress. Normally, all unbilled costs and accrued profits are earned and billed within 12 months from the end of the respective period. As of September 30, 2014 and December 31, 2013, we had $7.6 million and $9.4 million of unearned contract revenue, respectively. When we bill clients for services before they have been completed, billed amounts are recorded as unearned contract revenue and are realized as revenue when earned.

For the nine-month period ended September 30, 2014, we had net cash used in investing activities of $10.5 million which consisted of $8.0 million in our purchase of thyroid and pancreas cancer diagnostic tests, $0.5 million for a diagnostic testing lab, $1.3 million in capital expenditures and $0.6 million in loans made to the Diagnostics Company. There was $3.1 million of cash used in investing activities during the nine-month period ended September 30, 2013, of which $1.6 million related to capital expenditures and $1.5 million was an investment in a non-controlled entity. All loans and capital expenditures were funded out of available cash.

For the nine-month periods ended September 30, 2014 and September 30, 2013, net cash used in financing activities consisted of shares of our stock that were delivered to us and included in treasury stock for the payment of taxes resulting from the vesting of restricted stock.

Going Forward

During the first nine months of 2014 we have differentiated ourselves by acting on our strategy of adding more predictable, higher growth, higher margin business that could reduce the natural volatility of our current core business. With our recent announcements of acquiring RedPath, as well as funding from our financing agreement, and certain product lines from Asuragen, we are executing on our strategic intent of becoming a leading commercialization company for the molecular diagnostics industry. We will continue to commercialize product lines, and expand commercialization as we exit 2014 and enter 2015. The final determination of our strategy is dependent upon, among other things, commercial responsiveness to promotional efforts.

In addition, we will continue to focus on the flawless execution of our outsourced promotional services programs in order to consistently deliver desired results. We recognize that our relationships with customers are dependent upon the quality of our performance and our ability to reach and engage their target audiences in a positive and meaningful manner. Through our core outsourced promotional services expertise, we will continue to provide innovative and flexible service offerings designed to drive our customers' businesses forward and successfully respond to a continually changing market. We have, and will continue to, evolve our promotional capabilities for many large pharmaceutical companies, a variety of emerging and specialty pharmaceutical and biotechnology companies as well as diagnostic and other healthcare service providers.

We will continue to be diligent with our cash, supplemented by additional financings, to continue this strategy as commercializing these molecular diagnostic product lines will require additional resources in 2015. We will continue to refocus resources internally, and add both internal and external resources, to execute upon our strategy.

Our primary sources of liquidity are cash generated from our operations and available cash and cash equivalents. These sources of liquidity are needed to fund our working capital requirements, contractual obligations and estimated capital expenditures of approximately $2.0 million in 2014. We expect our working capital requirements to increase as a result of entering the molecular diagnostics industry and new customer contracts generally providing for longer than historical payment terms.

Considering the information provided above, we anticipate 2014 operations will result in a loss and 2014 cash flows will be negative. We estimate that cash as of December 31, 2014, could be in the range of $21 million to $23 million. We believe that we will require alternative forms of financing to achieve our strategic plan.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

PDI is a smaller reporting company as defined by the disclosure requirements in Regulation S-K of the SEC and therefore not required to provide this information.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

Our management, with the participation of our chief executive officer and chief financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of the end of the period covered by this Quarterly Report on Form 10-Q. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, management is required to apply its judgment in evaluating the benefits of possible disclosure controls and procedures relative to their costs to implement and maintain.

Based on our evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in internal controls

There has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

Below is the material change to the risk factors discussed in Part I, "Item 1A. Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2013 (Form 10-K). You should carefully consider the risk below and the risks described in our Form 10-K, which could materially affect our business, financial condition or future results. The risk described below and in our Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, and/or results of operations. If any of the risks actually occur, our business, financial condition, and/or results of operations could be negatively affected.

We may experience impairment charges of our other intangible assets.

We are required to evaluate other intangible assets for impairment at least annually, and between annual tests if events or circumstances warrant such a test. These events or circumstances could include a significant long-term adverse change in the business climate, poor indicators of operating performance or a sale or disposition of a significant portion of a reporting unit. We test other intangible assets for impairment at the reporting unit level, which is one level below our segments. Other intangible assets have been assigned to the reporting units to which the value of the other intangible assets relate. We currently have one reporting unit, Interpace Diagnostics, having other intangible assets. If we determine that the fair value is less than the carrying value, an impairment loss will be recorded in our statement of operations. The determination of fair value is a highly subjective exercise and can produce significantly different results based on the assumptions used and methodologies employed. If our projected long-term sales growth rate, profit margins or terminal growth rate are considerably lower and/or the assumed weighted-average cost of capital is considerably higher, future testing may indicate impairment and we would have to record a non-cash impairment loss in our statement of operations. See Note 5, Goodwill and Other Intangible Assets, to the consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description
2.2	Asset Purchase Agreement by and between Interpace Diagnostics, LLC and Asuragen, Inc. dated August 13, 2014, filed herewith.
10.1.1*	First Amendment to the Collaboration Agreement dated as of August 19, 2013, field herewith.
10.30	Transition Services Agreement between Interpace Diagnostics, LLC and Asuragen, Inc, dated August 13, 2014, filed herewith.
10.31	License Agreement between Interpace Diagnostics, LLC and Asuragen, Inc, dated August 13, 2014, filed herewith.
10.32	CPRIT License Agreement between Interpace Diagnostics, LLC and Asuragen, Inc, dated August 13, 2014, filed herewith.
10.33	Supply Agreement between Interpace Diagnostics, LLC and Asuragen, Inc, dated August 13, 2014, filed herewith.
10.34	Guaranty, dated August 13, 2014, by PDI, Inc. in favor of Asuragen, Inc., filed herewith.
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.
101	The following financial information from this Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2014 formatted in XBRL (Extensible Business Reporting Language) and furnished electronically herewith: (i) the Condensed Consolidated Balance Sheets; (ii) the Condensed Consolidated Statements of Operations; (iii) the Condensed Consolidated Statements of Cash Flows; and (iv) the Notes to Condensed Consolidated Financial Statements.
*	Portions of this agreement have been omitted from the filed Exhibit, and filed separately with the Commission together with a Request for Confidential Treatment.

SIGNATURES

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

Date: November 5, 2014

PDI, Inc.
(Registrant)

/s/ Nancy S. Lurker
Nancy S. Lurker
Chief Executive Officer

/s/ Graham G. Miao
Graham G. Miao
Chief Financial Officer

ASSET PURCHASE AGREEMENT

by and between

ASURAGEN, INC.

and

INTERPACE DIAGNOSTICS, LLC

Dated as of August 13, 2014

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EXHIBITS

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Exhibit B	Form of CPRIT License Agreement
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Schedule 5.1.1(g)	Certain Indemnification Claims

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "**Agreement**") is made and executed as of August 13, 2014 (the "**Effective Date**"), by and between Asuragen, Inc., a Delaware corporation (" **Seller**"), and Interpace Diagnostics, LLC, a Delaware limited liability company ("**Buyer**"). Seller and Buyer are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Seller holds certain assets and rights comprising or associated with the Transferred Products (as defined below);

WHEREAS, Seller wishes to sell to Buyer, and Buyer desires to purchase from Seller, certain assets and rights comprising or associated with the Transferred Products, upon the terms and conditions hereinafter set forth; and

WHEREAS, concurrently with the execution and delivery of this Agreement, the Guarantor has delivered to Seller a guaranty in which the Guarantor has unconditionally guaranteed all obligations of Buyer under this Agreement and the Ancillary Agreements.

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Agreement and of the representations, warranties, conditions, agreements and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Defined Terms. As used herein, the following terms shall have the following meanings:

1.1.1 "**Accountants**" means an accounting firm of national reputation (excluding each of Seller's and Buyer's respective regular outside accounting firms) as may be mutually acceptable to Seller and Buyer; *provided*, that if Seller and Buyer are unable to agree on such accounting firm within 10 days or any such mutually selected accounting firm is unwilling or unable to serve, then Seller shall deliver to Buyer a list of three other accounting firms of national reputation that have not performed services for Seller or Buyer in the preceding three-year period, and Buyer shall select one of such three accounting firms.

1.1.2 "**Accounting Firm**" has the meaning set forth in Section 4.2.2.

1.1.3 "**Adjusted Royalty**" has the meaning set forth in Section 2.3.3(d).

1.1.4 "**Affiliate**" means, with respect to a Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such first Person. For purposes of this definition, "control" and, with correlative meanings, the terms "controlled by" and "under common control with" means (a) the possession,

directly or indirectly, of the power to direct the management or policies of a business entity, whether through the ownership of voting securities, by contract relating to voting rights or corporate governance, or otherwise or (b) the ownership, directly or indirectly, of more than 50% of the voting securities or other ownership interest of a business entity (or, with respect to a limited partnership or other similar entity, its general partner or controlling entity).

1.1.5 "**Agreed Amount**" has the meaning set forth in Section 5.2.1.

1.1.6 "**Agreement**" has the meaning set forth in the preamble hereto.

1.1.7 "**Allocation**" has the meaning set forth in Section 2.3.10(a).

1.1.8 "**Ancillary Agreements**" means the License Agreement, the CPRIT License Agreement, the Supply Agreement, the Transition Services Agreement, the Bill of Sale, the Patent Assignment Agreement, the Trademark Assignment Agreement, the Non-Competition Agreement and the Guaranty.

1.1.9 "**Apportioned Obligations**" has the meaning set forth in Section 4.10.1(a).

1.1.10 "**Assumed Liabilities**" has the meaning set forth in Section 2.2.1.

1.1.11 "**Authorization**" means any consent, approval, order, license, permit and other similar authorization of or from any Governmental Authority, together with any renewals, extensions, or modifications thereof and additions thereto.

1.1.12 "**Bill of Sale**" means the bill of sale and assignment and assumption agreement, in substantially the form of Exhibit A.

1.1.13 "**Business Day**" means any day other than Saturday, Sunday or a day on which banking institutions in New York, New York are permitted or obligated by Law to remain closed.

1.1.14 "**Buyer**" has the meaning set forth in the preamble hereto.

1.1.15 "**Buyer Confidential Information**" has the meaning set forth in Section 4.4.2.

1.1.16 "**Buyer Entities**" has the meaning set forth in Section 4.2.5.

1.1.17 "**Buyer Indemnitees**" has the meaning set forth in Section 5.1.1.

1.1.18 "**Buyer Material Adverse Effect**" means any event, fact, condition, occurrence, change or effect that prevents or materially impedes or materially delays the consummation by Buyer of the Transactions.

1.1.19 "**Buyer Permitted Purpose**" has the meaning set forth in Section 4.4.3.

1.1.20 "**Buyer's Knowledge**" means the collective actual knowledge of Greg Richard, Nancy Lurker and Jeffrey Smith without any duty of investigation.

1.1.21 "**Calendar Quarter**" means each successive period of three calendar months commencing on January 1, April 1, July 1 and October 1, except that the first Calendar Quarter shall commence on the Effective Date and end on the day immediately prior to the first to occur of January 1, April 1, July 1 and October 1 thereafter and the last Calendar Quarter shall end on the last day of the last to expire of the Pancreas Royalty Term, the Thyroid Royalty Term, and the Other Thyroid Product Royalty Term.

1.1.22 "**Cap**" has the meaning set forth in Section 5.3.2.

1.1.23 "**Claim Notice**" has the meaning set forth in Section 5.2.2.

1.1.24 "**CLIA**" means the Clinical Laboratory Improvement Amendments of 1988.

1.1.25 "**Closing**" has the meaning set forth in Section 2.4.1.

1.1.26 "**Closing Payment**" has the meaning set forth in Section 2.3.1.

1.1.27 "**Code**" means the Internal Revenue Code of 1986.

1.1.28 "**Commercially Reasonable Efforts**" means the carrying out of activities in a sustained and diligent manner and using efforts and resources that are comparable to the efforts and resources commonly used in the medical device/diagnostics industry by a company with similar resources as Guarantor and its Affiliates that are controlled by Guarantor, taken as a whole, for products of similar market potential at a similar stage of development or product life, based on conditions then prevailing and taking account of competition, technological relevance or obsolescence, changes in regulatory status and Law and changes in reimbursement rates, policies and procedures.

1.1.29 "**Confidential Information**" has the meaning set forth in Section 4.4.1.

1.1.30 "**Confidentiality Agreement**" means that certain Confidential Disclosure Agreement, dated as of January 14, 2014, as amended by Amendment No. 1 to the Confidential Disclosure Agreement, dated as of April 11, 2014, between Buyer and Seller.

1.1.31 "**Contract**" means any written or oral contract, agreement, lease, sublease, license, sublicense, instrument, note, guaranty, deed, assignment, purchase order, or other legally binding commitment or arrangement.

1.1.32 "**Controlling Party**" has the meaning set forth in Section 5.2.2.

1.1.33 "**Copyright**" means copyrights and rights in copyrightable works, copyright registrations, or any application therefor and all extensions, restorations, reversions and renewals of any of the foregoing.

1.1.34 "**CPRIT License Agreement**" means a license agreement, in substantially the form of Exhibit B.

1.1.35 "**Deductible**" has the meaning set forth in Section 5.3.1.

1.1.36 "**Disclosing Party**" has the meaning set forth in Section 4.4.1.

1.1.37 "**Disclosure Schedules**" means the disclosure schedules of Seller related to the representations and warranties of Seller set forth in Section 3.1.

1.1.38 "**Dollar**" or "**$**" means United States dollars.

1.1.39 "**Domain Names**" means any and all internet or global computing network addresses or locations, including all generic top-level domains ("gTLDs") and country code top-level domains ("ccTLDs").

1.1.40 "**Effect**" has the meaning set forth in the definition of Material Adverse Effect.

1.1.41 "**Effective Date**" has the meaning set forth in the preamble hereto.

1.1.42 "**EMA**" means the European Medicines Agency and any successor agency thereto.

1.1.43 "**Encumbrance**" means any mortgage, lien, license, pledge, security interest or other encumbrance.

1.1.44 "**Excluded Assets**" means all assets, property, rights and interests of Seller and its Affiliates other than the Purchased Assets, including (a) the Contracts listed on Schedule 1.1.44 and (b) all tangible personal property of Seller or any of its Affiliates (other than tangible Purchased Assets).

1.1.45 "**Excluded Liabilities**" means all Liabilities of Seller or any of its Affiliates other than Assumed Liabilities, including (a) all obligations, liabilities and commitments of Seller or any of its Affiliates to the extent relating to or arising out of the Excluded Assets; (b) all obligations, liabilities and commitments of Seller or any of its Affiliates to the extent relating to or arising out of any Litigation pending on or before the Effective Date; (c) all accounts payable of Seller or any of its Affiliates; (d) all obligations, liabilities and commitments relating to the Transferred Products sold on or prior to the Effective Date or used in connection with services provided by Seller or any of its Affiliates on or prior to the Effective Date, including obligations, liabilities and commitments for any personal injury claims, warranty obligations, professional negligence, product recall or withdrawal, regardless of the legal theory asserted; and (f) all obligations and liabilities (i) for Taxes of Seller or any of its Affiliates, including Transfer Taxes apportioned to Seller pursuant to this Agreement, (ii) for Taxes imposed on or related to the Purchased Assets and Licensed IP for all periods ending on or before the Effective Date (determined, if applicable, pursuant to Section 4.10.1(a), and (iii) of Seller or any of its Affiliates for Taxes of any Person pursuant to Treasury Regulation Section 1.1502-6 (or

similar provision of state, local or non-U.S. law), as a transferee or successor, by contract, or otherwise.

1.1.46 "**Exploit**" means to make, have made, import, export, use, sell, offer for sale, research, develop, commercialize, hold or keep (whether for disposal or otherwise), transport, distribute, promote, market, or otherwise dispose of.

1.1.47 "**FDA**" means the United States Food and Drug Administration and any successor agency thereto.

1.1.48 "**FFDCA**" means the United States Federal Food, Drug and Cosmetic Act, including regulations and enforcement discretion policies promulgated or announced by FDA.

1.1.49 "**Financial Information**" has the meaning set forth in Section 4.2.3.

1.1.50 "**Fundamental Reps**" means the representations and warranties set forth in Section 3.1.1 (*Corporate Status*), Section 3.1.2 (*Authority*), Section 3.1.3 (*No Broker*), Section 3.1.6 (*Title to the Purchased Assets*), Section 3.2.1 (*Corporate Status*), Section 3.2.2 (*Authority*) and Section 3.2.4 (*No Broker*).

1.1.51 "**GAAP**" means United States generally accepted accounting principles, as applied in Buyer's or its Affiliates' publicly filed financial statements.

1.1.52 "**Governmental Authority**" means any supranational, international, nation, commonwealth, province, territory, county, municipality, district, federal, state or local court (or any arbitrator or other tribunal having competent jurisdiction), administrative agency or commission or other governmental authority, instrumentality, domestic or foreign, including the EMA, FDA and any corresponding foreign agency, or any self-regulated organization or quasi-governmental authority.

1.1.53 "**Guaranty**" means a guaranty, in substantially the form of Exhibit C.

1.1.54 "**Guarantor**" means PDI, Inc., a Delaware corporation.

1.1.55 "**Indemnification Certificate**" has the meaning set forth in Section 5.2.1.

1.1.56 "**Indemnification Offset Amount**" has the meaning set forth in Section 2.3.5.

1.1.57 "**Indemnified Party**" has the meaning set forth in Section 5.2.1.

1.1.58 "**Indemnifying Party**" has the meaning set forth in Section 5.2.1.

1.1.59 "**Initial Thyroid Product**" has the meaning set forth in Section 4.5.1.

1.1.60 "**Intellectual Property Rights**" means any and all of the following: Copyrights, Domain Names, Know-How, Patent Rights, Trademarks, rights to protect confidential or proprietary information, and Trade Secrets.

1.1.61 "**Invoiced Sales**" has the meaning set forth in the definition of Net Sales.

1.1.62 "**Know-How**" means all technical, scientific and other know-how and information.

1.1.63 "**Law**" means any domestic or foreign, federal, state or local statute, law, treaty, judgment, ordinance, rule, administrative interpretation, regulation, order or other requirement having the force of law of any Governmental Authority.

1.1.64 "**Liabilities**" means any debts, liabilities, obligations, commitments, claims or complaints, whether accrued or fixed, known or unknown, fixed or contingent, determined or determinable, and whether or not the same would be required to be reflected in financial statements or disclosed in the notes thereto.

1.1.65 "**License Agreement**" means a license agreement, in substantially the form of Exhibit D.

1.1.66 "**Licensed IP**" means the Licensed Know-How and Licensed Patents.

1.1.67 "**Licensed Know-How**" means any Know-How to which Seller grants Buyer a license under the License Agreement or CPRIT License Agreement.

1.1.68 "**Licensed Patent**" means any Patent to which Seller grants Buyer a license or sublicense under the License Agreement or the CPRIT License Agreement.

1.1.69 "**Litigation**" means any claim, action, arbitration, mediation, hearing, proceeding, litigation, suit, warning letter, finding of deficiency or non-compliance, notice of violation or request for recall (whether civil, criminal, administrative, investigative, appellate or informal).

1.1.70 "**Loss**" or "**Losses**" means any losses, damages, judgments, fines, penalties, awards, Taxes, amounts paid in settlement, reasonable fees (including costs and expenses in connection with investigations, suits and proceedings, expert fees, accounting fees, advisory fees and legal fees), charges and costs.

1.1.71 "**Material Adverse Effect**" means an event, fact, condition, occurrence, circumstance, change or effect ("**Effect**") that, considered together with all other Effects, (a) is, or would reasonably be expected to be materially adverse to the Purchased Assets and the Assumed Liabilities, taken as a whole or (b) prevents or materially impedes or delays the consummation by Seller of any of the Transactions; *provided*, that, none of the following, and no Effects resulting from the following, shall be deemed (individually or in combination) to constitute, or shall be taken into account in determining whether there has been, a "Material Adverse Effect": (i) political or economic conditions or conditions affecting the capital or financial markets generally; (ii) conditions generally affecting the medical device/diagnostic industry; (iii) any changes in accounting requirements or applicable Law, (iv) any hostility, act of war, sabotage, terrorism or military actions, or any escalation of any of the foregoing; and (v) any hurricane, flood, tornado, earthquake or other natural disaster or force majeure event;

except, in each of clauses (i) through (v), for those conditions that have a disproportionate effect on the Purchased Assets and the Assumed Liabilities, taken as a whole, relative to other Persons engaged in similar businesses.

1.1.72 "**Milestone Event**" means the Transition Milestone Event or the Pancreas Test Milestone Event, as applicable.

1.1.73 "**Milestone Payment**" means the Transition Milestone Payment or the Pancreas Test Milestone Payment, as applicable.

1.1.74 "**mir**" means microRNA.

1.1.75 "**Molecular Markers**" means the molecular markers set forth in Schedule 1.1.75.

1.1.76 "**Net Sales**" means, with respect to any Royalty Product for any period, the gross amount invoiced by Buyer or any of its Affiliates for any Qualifying Sales or Qualifying Services anywhere in the world (collectively, the "**Invoiced Sales**"), less deductions for: (a) normal and customary trade, quantity and cash discounts and sales returns and allowances, including those granted on account of price adjustments, billing errors, rejected goods, damaged goods and returns, chargebacks and amounts for which collectability is not reasonably assured; (b) freight, postage, shipping and insurance expenses to the extent that such items are included in the Invoiced Sales; (c) customs and excise duties and other duties related to the sales to the extent that such items are included in the Invoiced Sales; (d) rebates and similar payments made with respect to sales paid for by any Governmental Authority such as, by way of illustration and not in limitation of the Parties' rights hereunder, Federal or state Medicaid, Medicare or similar state program or equivalent foreign governmental program; and (e) the difference between the dollar amount invoiced by Buyer, its Affiliates or any of its or their respective (sub)licensees for Qualifying Sales or Qualifying Services and the amount actually collected from Invoiced Sales. It is understood that if actual cash receipts exceed the Net Sales calculation during a Calendar Quarter, then such excess amount will be included in the Net Sales calculation in the Calendar Quarter that such cash receipts were received. Any of the deductions listed above that involves a payment by Buyer, or any of its Affiliates or any of its or their respective (sub)licensees shall be taken as a deduction in the Calendar Quarter in which the payment is accrued by such Person. For purposes of determining Net Sales, a Qualifying Sale or Qualifying Service shall be deemed to have occurred when invoiced. Subject to the above, Net Sales shall be calculated in accordance with GAAP.

1.1.77 "**Non-Competition Agreement**" means a non-competition agreement, in substantially the form of Exhibit E.

1.1.78 "**Non-Controlling Party**" has the meaning set forth in Section 5.2.2.

1.1.79 "**Notice**" has the meaning set forth in Section 6.2.1.

1.1.80 "**Objection Notice**" has the meaning set forth in Section 5.2.1.

1.1.81 "**Original Royalty**" has the meaning set forth in Section 2.3.3(d).

1.1.82 "**Other Thyroid Product**" means (a) the test for thyroid cancer over which Buyer or one of its Affiliates has, as of the Effective Date, an option to acquire the rights thereto from Prolias Technologies currently known as Thymira™ without regard to such test's regulatory classification as a Laboratory Developed Test, in vitro diagnostic product or otherwise and (b) the Thyroid Test Version Three.

1.1.83 "**Other Thyroid Product Royalty Term**" means the period that begins on the date on which the first Qualifying Sale or Quality Service, in either case, with respect to the Other Thyroid Product occurs anywhere in the world and ends on the tenth anniversary thereof.

1.1.84 "**Pancreas microRNA Test**" means Seller's validated pancreas test that assays for at least the five mirs set forth in Schedule 1.1.84 as of the Effective Date and currently known as mirInform® Pancreas.

1.1.85 "**Pancreas Royalty Product**" means any in vitro diagnostic (IVD) product, including any apparatuses, Laboratory Developed Tests (LDTs) or IVD test kits, directed towards pancreatic cancer (a) that incorporates, was developed using or otherwise relies on any Purchased Asset or Licensed IP including the Pancreas microRNA Test or (b) the Exploitation of which would infringe at least one Valid Claim.

1.1.86 "**Pancreas Royalty Term**" means the period that begins on the date on which the first Qualifying Sale or Quality Service, in either case, with respect to the first Pancreas Royalty Product occurs anywhere in the world and ends on the tenth anniversary thereof.

1.1.87 "**Pancreas Test Milestone Event**" has the meaning set forth in Section 2.3.2(b).

1.1.88 "**Pancreas Test Milestone Payment**" has the meaning set forth in Section 2.3.2(b).

1.1.89 "**Party(ies)**" has the meaning set forth in the preamble hereto.

1.1.90 "**Patent Assignment Agreement**" means that certain Patent Assignment Agreement, dated as of the Effective Date, in substantially the form of Exhibit F.

1.1.91 "**Patent Rights**" means all patents and filed patent applications, including provisional and non-provisional patent applications, design registrations, design registration applications, industrial designs, industrial design applications and industrial design registrations, and including any and all divisions, continuations, continuations in part, extensions, substitutions, renewals, registrations, revalidations, reversions, reexaminations, reissues or additions, of or to any of the foregoing items, and all rights and priorities afforded under any applicable Law with respect thereto.

1.1.92 "**Payments**" has the meaning set forth in Section 2.3.6(a).

1.1.93 "**Permitted Encumbrance**" means any Encumbrance disclosed on Schedule 1.1.93.

1.1.94 "**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, corporation, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, or any other legal entity, including a Governmental Authority.

1.1.95 "**Post-Closing Tax Period**" has the meaning set forth in Section 4.10.1(a).

1.1.96 "**Pre-Closing Tax Period**" has the meaning set forth in Section 4.10.1(a).

1.1.97 "**Purchase Price**" means the sum of the Closing Payment, and, to the extent actually paid by Buyer in accordance with Sections 2.3.2, 2.3.3 and 2.3.4, the Milestone Payment, Royalty Payments and Sublicense Payments.

1.1.98 "**Purchased Assets**" has the meaning set forth in Section 2.1.1.

1.1.99 "**Purchased Contracts**" has the meaning set forth in Section 2.1.1(a).

1.1.100"**Purchased Data**" has the meaning set forth in Section 2.1.1(c).

1.1.101"**Purchased Patents**" has the meaning set forth in Section 2.1.1(f).

1.1.102"**Purchased Protocols**" has the meaning set forth in Section 2.1.1(b).

1.1.103"**Purchased Records**" has the meaning set forth in Section 2.1.1(d).

1.1.104"**Purchased Tissue Samples**" has the meaning set forth in Section 2.1.1(e).

1.1.105"**Purchased Trademarks**" has the meaning set forth in Section 2.1.1(g).

1.1.106"**Qualifying Sale**" means the sale of a Royalty Product by Buyer, any of its Affiliates or any of its or their respective (sub)licensees to a Third Party (including distributors or laboratories) anywhere in the world.

1.1.107"**Qualifying Service**" means the use by Buyer, any of its Affiliates or any of its or their respective (sub)licensees of a Royalty Product to perform diagnostic testing services on behalf of or for any Third Party anywhere in the world.

1.1.108 "**Receiving Party**" has the meaning set forth in Section 4.4.1.

1.1.109 "**Regulatory Approvals**" means, with respect to a product and a country, any and all approvals, licenses, registrations (except manufacturing establishment registrations) or authorizations of any Governmental Authority necessary to commercially distribute, sell or market such product (or diagnostic services performed using such product) in such country.

1.1.110 "**Regulatory Authority**" means any Governmental Authority that is concerned with the safety, efficacy, reliability, manufacture, investigation, sale or marketing of medical devices, including the EMA and FDA.

1.1.111 "**Representatives**" means, with respect to a Party, such Party's officers, employees, agents, attorneys, consultants, advisors and other representatives.

1.1.112 "**Royalty Payments**" means the royalty payments described in Section 2.3.3.

1.1.113 "**Royalty Product**" means a Pancreas Royalty Product, a Thyroid Royalty Product or the Other Thyroid Product, as applicable.

1.1.114 "**Royalty Term**" means (a) with respect to a Pancreas Royalty Product, the Pancreas Royalty Term, (b) with respect to a Thyroid Royalty Product, the Thyroid Royalty Term and (c) with respect to the Other Thyroid Product, the Other Thyroid Product Royalty Term.

1.1.115 "**SEC**" means the U.S. Securities and Exchange Commission.

1.1.116 "**Seller**" has the meaning set forth in the preamble hereto.

1.1.117 "**Seller Confidential Information**" has the meaning set forth in Section 4.4.3.

1.1.118 "**Seller Indemnitees**" has the meaning set forth in Section 5.1.2.

1.1.119 "**Seller Permitted Purpose**" has the meaning set forth in Section 4.4.2.

1.1.120 "**Seller's Knowledge**" means the collective actual knowledge of the individuals listed on Schedule 1.1.120 without any duty of investigation.

1.1.121 "**Senior Officer**" means, with respect to Seller, its President and Chief Executive Officer, and with respect to Buyer, its Chief Executive Officer.

1.1.122 "**Sublicense Payments**" means the payments described in Section 2.3.4.

1.1.123 "**Sublicense Percentage**" means (a) with respect to a sublicense granted during the period that begins on the Effective Date and ends on the date immediately prior to the first anniversary of the Effective Date, 30%, (b) with respect to a sublicense granted during the period that begins on the first anniversary of the Effective Date and ends on the date immediately prior to the third anniversary of the Effective Date, 20% and (c) with respect to a sublicense granted during the period that begins on the third anniversary Effective Date and ends on the expiration of the Pancreas Royalty Term, Thyroid Royalty Term or Other Thyroid Product Royalty Term, as applicable, 15%.

1.1.124 "**Sublicense Revenue**" means, with respect to any Royalty Product of any period, any license fees, royalty payments, milestone payments or other similar payments paid by any (sub)licensee to Buyer or any of its Affiliates in connection with any (sub)license granted by Buyer with respect to such Royalty Product as consideration for such (sub)license.

1.1.125 "**Supply Agreement**" means a supply agreement, in substantially the form of Exhibit G, pursuant to which Seller will supply RNAretain preservation solution to Buyer.

1.1.126 "**Tax Return**" means any return, declaration, report, claim for refund, information return or statement relating to Taxes, including any schedule or attachment thereto, filed or maintained, or required to be filed or maintained, in connection with the calculation, determination, assessment or collection of any Tax and includes any amended returns required as a result of examination adjustments made by the Internal Revenue Service or other Tax authority and includes Treasury Form TD F 90-22.1 and FinCEN Form 114.

1.1.127 "**Taxes**" means all taxes of any kind including all U.S. federal, state, local or non-U.S. net income, capital gains, gross income, gross receipt, property, franchise, sales, use, excise, withholding, payroll, employment, social security, worker's compensation, unemployment, occupation, capital stock, transfer, gains, windfall profits, net worth, asset, transaction and other taxes, and any interest, penalties or additions to tax with respect thereto, imposed upon any Person by any taxing authority or other Governmental Authority under applicable Law.

1.1.128 "**Third Party**" means any Person other than Seller, Buyer and their respective Affiliates and permitted successors and assigns.

1.1.129 "**Thyroid A microRNA Classifier**" means Seller's thyroid test that measures the mirs set forth in Schedule 1.1.129 in thyroid nodule tissue.

1.1.130 "**Thyroid B microRNA Classifier**" means Seller's thyroid test that measures the mirs set forth in Schedule 1.1.130 in thyroid nodule tissue.

1.1.131 "**Thyroid Royalty Product**" means any in vitro diagnostic product, including any apparatuses, Laboratory Developed Tests (LDTs) or IVD test kits, directed towards thyroid cancer, other than the Thyroid Test Version Three, (a) that incorporates, was developed using or otherwise relies on any Purchased Assets or Licensed IP, or (b) the Exploitation of which would infringe at least one Valid Claim.

1.1.132 "**Thyroid Royalty Term**" means the period that begins on the Effective Date and ends on the tenth anniversary thereof.

1.1.133 "**Thyroid Test Version One**" means Seller's CLIA validated thyroid test on the Luminex instrument platform that assays for the Molecular Markers.

1.1.134 "**Thyroid Test Version Two**" means Seller's CLIA validated thyroid test on a next generation sequencing platform that measures the mutational status of the genes set forth in Schedule 1.1.134.

1.1.135 "**Thyroid Test Version Three**" means Seller's thyroid test on a next generation sequencing platform that measures the expression or mutational status of the genes set forth in Schedule 1.1.135.

1.1.136 "**Trade Secrets**" means information that derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by other Persons who can obtain economic value from its disclosure or use.

1.1.137 "**Trademark**" means any word, name, symbol, color, product shape, designation or device or any combination thereof that functions as a source identifier, including any trademark, trade dress, brand mark, service mark, trade name, brand name, trade dress rights, slogans, product configuration, logo or business symbol, whether or not registered, and any registrations or applications for registration to use any of the foregoing.

1.1.138 "**Trademark Assignment Agreement**" means a trademark assignment agreement, in substantially the form of Exhibit H.

1.1.139 "**Transactions**" means all of the transactions contemplated by this Agreement and each of the Ancillary Agreements.

1.1.140 "**Transfer Taxes**" has the meaning set forth in Section 4.10.1(a).

1.1.141 "**Transferred Products**" means, collectively, the Thyroid Test Version One, the Thyroid Test Version Two, the Thyroid Test Version Three, the Thyroid 5 microRNA Classifier, the Thyroid 10 microRNA Classifier and the Pancreas microRNA Test; *provided*, that Transferred Products shall not include the Thyroid Test Version Three for the purposes of Section 3.1. For clarity, Transferred Products means each Transferred Product as it exists as of the Effective Date.

1.1.142 "**Transition Milestone Event**" has the meaning set forth in Section 2.3.2(a).

1.1.143 "**Transition Milestone Payment**" has the meaning set forth in Section 2.3.2(a).

1.1.144 "**Transition Services Agreement**" means that certain Transition Services Agreement, in substantially the form attached as Exhibit I.

1.1.145 "**United States**" means the United States of America and its territories and possessions.

1.1.146 "**UTSA**" means the Uniform Trade Secrets Act.

1.1.147 "**Valid Claim**" means (a) a claim of a pending Purchased Patent or Licensed Patent that has not been abandoned or finally rejected without the possibility of appeal or refiling except that a Valid Claim does not include a claim of a pending Purchased Patent or Licensed Patent that has been pending for more than 5 years, or (b) a claim of an issued and

unexpired claim within any of the Licensed Patents licensed to Buyer or Purchased Patents, which claim has not been revoked or held unenforceable, unpatentable or invalid by a decision of a court or other governmental agency of competent jurisdiction, which is not appealable or has not been appealed within the time allowed for appeal, and which has not been abandoned, disclaimed, denied or admitted to be invalid or unenforceable through reissue, re-examination or disclaimer or otherwise.

1.2 Construction . Except where the context otherwise requires, wherever used, the singular includes the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word "or" is used in the inclusive sense (and/or). The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The term "including" and "include" 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." The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against any Party. Unless otherwise specified or where the context otherwise requires, (a) references in this Agreement to any Article, Section, Schedule or Exhibit are references to such Article, Section, Schedule or Exhibit of this Agreement; (b) references in any Section to any clause are references to such clause of such Section; (c) "hereof," "hereto," "hereby," "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement; (d) references to a Person are also to its permitted successors and assigns; (e) references to a Law include any amendment or modification to such Law and the rules, regulations, binding guidelines, binding guidance documents and requirements promulgated thereunder, in each case, as in effect at the relevant time of reference thereto; (f) references to any agreement, instrument or other document in this Agreement refer to such agreement, instrument or other document as originally executed or, if subsequently amended, replaced or supplemented from time to time, as so amended, replaced or supplemented and in effect at the relevant time of reference thereto; and (g) references to monetary amounts are denominated in U.S. dollars.

ARTICLE 2
SALE AND PURCHASE OF ASSETS; LIABILITIES

2.1 Sale of Purchased Assets.

2.1.1 Purchase and Sale of Purchased Assets. Upon the terms and subject to the conditions of this Agreement, Seller hereby sells, transfers, conveys, assigns and delivers to Buyer free and clear of all Encumbrances other than Permitted Encumbrances, all right, title and interest of Seller in and to the following properties, rights, interests and assets, as existing as of the Effective Date (collectively, the "**Purchased Assets**"), and Buyer hereby purchases and accepts from Seller the Purchased Assets:

(a) all rights of Seller under the Contracts set forth on Schedule 2.1.1(a)(i), excluding all rights, claims or causes of action (including warranty claims and accounts receivable) of Seller thereunder related to products supplied or services provided to Seller prior

to the Effective Date that are not included in or related to the Purchased Assets (the " **Purchased Contracts**");

(b) the protocols and standard operating procedures for the Transferred Products established by Seller and described/listed on Schedule 2.1.1(b) (the "**Purchased Protocols**");

(c) the data and data packages owned and maintained by Seller and described/listed on Schedule 2.1.1(c) (the "**Purchased Data**");

(d) the customer lists and records owned and maintained by Seller and described/listed on Schedule 2.1.1(d) (the "**Purchased Records**");

(e) the tissue samples owned and maintained by Seller and described/listed on Schedule 2.1.1(e) (the "**Purchased Tissue Samples**");

(f) the Patents listed on Schedule 2.1.1(f) (the "**Purchased Patents**"); and

(g) the Trademarks listed on Schedule 2.1.1(g) (the "**Purchased Trademarks**") and all goodwill associated therewith.

2.1.2 Excluded Assets. Buyer shall not acquire, pursuant to this Agreement or any Ancillary Agreement, and Seller shall retain following the Effective Date, the Excluded Assets.

2.1.3 Retention of Rights. Notwithstanding anything to the contrary in this Agreement or any Ancillary Agreement, Seller retains, on behalf of itself and its Affiliates, licensees, sublicensees, licensors and distributors, such rights in and to the Purchased Assets to the extent necessary or useful to exercise its rights and perform its obligations under this Agreement, any Ancillary Agreement and any Contract included within the Excluded Assets. Except as expressly granted herein or in any Ancillary Agreement, Seller grants no other right or license to any assets or rights, including Intellectual Property Rights, of Seller and its Affiliates.

2.2 Liabilities.

2.2.1 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, Seller hereby assigns and Buyer hereby assumes and agrees to pay and discharge when due (a) all Liabilities of Seller under or relating to the Purchased Assets or the Transferred Products arising on or after the Effective Date and (b) all Liabilities arising out of or related to the Exploitation of the Royalty Products, including the Transferred Products, on or after the Effective Date ((a) and (b), collectively, the "**Assumed Liabilities**"), and excluding the Excluded Liabilities.

2.2.2 Excluded Liabilities. Notwithstanding anything to the contrary herein, neither Buyer nor any of its Affiliates shall assume any Liabilities of Seller or any of its Affiliates other than the Assumed Liabilities, and the Excluded Liabilities shall remain the sole obligation and responsibility of Seller and its Affiliates.

2.3 Consideration.

2.3.1 Consideration. In consideration for the Purchased Assets, the licenses granted under the License Agreement and the CPRIT License Agreement, Buyer shall pay to Seller (a) $8,000,000 (the "**Closing Payment**") to be paid on the Effective Date by wire transfer of immediately available funds to the account or accounts designated by Seller by written notice to Buyer no later than one Business Day prior to the Effective Date, (b) the Milestone Payment, as and to the extent provided in Section 2.3.2, (c) the Royalty Payments, as and to the extent provided in Section 2.3.3 and (d) the Sublicense Payments, as and to the extent provided in Section 2.3.4.

2.3.2 Milestone Payments.

(a) Buyer shall pay to Seller an amount equal to $500,000 (the " **Transition Milestone Payment**") upon the completion of the transition of the Transferred Products, as such completion is determined under the Transition Services Agreement (the "**Transition Milestone Event**")

(b) Buyer shall pay to Seller an amount equal to $500,000 (the " **Pancreas Test Milestone Payment**") upon the earlier of (i) occurrence of the first Qualifying Sale or Qualifying Services with respect to a Pancreas Royalty Product anywhere in the world by Buyer or any of its Affiliates or any of its or their respective (sub)licensees (the "**Pancreas Test Milestone Event**") and (ii) the date that is 18 months after the Effective Date.

(c) Buyer shall pay each Milestone Payment to Seller (i) promptly (but no more than 45 days) after the achievement of the applicable Milestone Event or (ii) in the case of the Pancreas Test Milestone Event, if earlier, the date that is 18 months after the Effective Date.

(d) Without limiting Section 4.6.2, Buyer shall notify Seller promptly of the achievement of the Milestone Event. If, notwithstanding the fact that Buyer has not provided Seller such a notice, Seller believes that the Milestone Event has been achieved, it shall so notify Buyer in writing and the Parties shall reasonably promptly meet and discuss in good faith whether the Milestone Event has been achieved. If the Parties are unable to resolve any dispute under this Section 2.3.2(d) regarding whether or not the Milestone Event has been achieved, then either Party shall have the right to refer such a dispute to the Senior Officers for attempted resolution by good faith negotiations during a period of 30 days. Any final decision mutually agreed to by the Senior Officers in writing shall be conclusive and binding on the Parties. If the Senior Officers are unable to reach a final decision, then Seller shall be entitled to seek any dispute resolution and remedy available to it under this Agreement.

(e) Each Milestone Payment shall be treated as an adjustment to the Purchase Price for all Tax purposes, unless otherwise required by applicable Law.

2.3.3 Royalty Payments.

(a) Subject to Section 2.3.3(d), during the Pancreas Royalty Term, Buyer shall pay to Seller a 5% royalty on Net Sales of Pancreas Royalty Products.

(b) Subject to Section 2.3.3(d), during the Thyroid Royalty Term, Buyer shall pay to Seller a 3.5% royalty on Net Sales of Thyroid Royalty Products.

(c) During the Other Thyroid Product Royalty Term, Buyer shall pay to Seller a 1.5% royalty on Net Sales of Other Thyroid Products.

(d) If Buyer or any of its Affiliates or any of its or their respective (sub)licensees initiates (or in any way, directly or indirectly, aids any Third Party in initiating) a declaratory judgment action or similar action or claim that any Licensed Patent is invalid, unenforceable or not infringed by the Exploitation of any Pancreas Royalty Product or any Thyroid Royalty Product by or on behalf of Buyer or any of its Affiliates or any of its or their respective (sub)licensees, and (i) a court of competent jurisdiction upholds the validity, enforceability or infringement of such Licensed Patent, in whole or in part; (ii) such action or claim is dismissed with or without prejudice, or (iii) Buyer, its Affiliate or the respective (sub)licensee, as applicable, voluntarily withdraws such action or claim, then in each case ((i), (ii) and (iii)), for the purpose of determining the royalties payable pursuant to Section 2.3.2(a) or Section 2.3.2(b) with respect to Net Sales of Pancreas Royalty Products or Thyroid Royalty Products, as applicable, after such Licensed Patent is held to be valid, enforceable or infringed or such action or claim is dismissed or withdrawn, the royalty rate that would otherwise be applicable (the "**Original Royalty**") shall be multiplied by three (the " **Adjusted Royalty**").

(e) Buyer shall pay Seller the applicable Royalty Payments within 45 days after the end of each Calendar Quarter during the applicable Royalty Term. Buyer shall also provide to Seller, at the same time each such payment is made, a report showing: (i) the Net Sales of the applicable Royalty Products by country; (ii) the basis for any deductions from Invoiced Sales to determine Net Sales; (iii) the exchange rates used in calculating any of the foregoing; and (iv) a calculation of the amount of royalty due to Seller.

(f) The Royalty Payments shall be treated as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by applicable Law.

2.3.4 Sublicense Payments.

(a) During the Pancreas Royalty Term, Buyer shall pay to Seller the applicable Sublicense Percentage of the Sublicense Revenue with respect to Pancreas Royalty Products.

(b) During the Thyroid Royalty Term, Buyer shall pay to Seller the applicable Sublicense Percentage of the Sublicense Revenue with respect to Thyroid Royalty Products.

(c) During the Other Thyroid Product Royalty Term, Buyer shall pay to Seller the applicable Sublicense Percentage of the Sublicense Revenue with respect to Other Thyroid Royalty Products.

(d) Buyer shall pay Seller the applicable Sublicense Payments within 45 days after the end of each Calendar Quarter during the applicable Royalty Term. Buyer shall also provide to Seller, at the same time each such payment is made, a report showing: (i) the

Sublicense Revenue for the applicable Royalty Products by country; (ii) the exchange rates used in calculating the foregoing; and (iii) a calculation of the amount of Sublicense Revenue due to Seller.

(e) The Sublicense Payments shall be treated as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by applicable Law.

2.3.5 Indemnification Offset. Notwithstanding anything to the contrary in Section 2.3.2, Section 2.3.3 or Section 2.3.4, if a claim for indemnification has been made by Buyer pursuant to Section 5.2 and not yet fully satisfied or otherwise resolved, then, subject to Section 5.3, Buyer shall be entitled to withhold from the Payments otherwise required to be made in any Calendar Quarter pursuant to Section 2.3.2, Section 2.3.3 or Section 2.3.4, as applicable, the amount of such indemnification claim until such indemnification claim has been fully satisfied or otherwise resolved, and Buyer shall deposit the amount so withheld (the "**Indemnification Offset Amount**") in escrow, with an escrow agent and pursuant to an escrow agreement (in each case that is reasonably acceptable to Buyer and Seller and consistent with the terms of this Agreement). Any Indemnification Offset Amounts shall be released by the escrow agent upon final resolution of the claim for indemnification to (x) Buyer, in the event that such indemnification claim is resolved in favor of Buyer (but only to the extent of such indemnification claim), or (y) Seller, (1) in the event that such indemnification claim is resolved in favor of Seller or (2) in the event that such indemnification claim is resolved in favor of Buyer, to the extent that the Indemnification Offset Amount exceeds the amount of such indemnification claim.

2.3.6 Mode of Payment; Currency Conversion .

(a) Subject to Section 2.3.5, Buyer shall pay Seller the Milestone Payment, Royalty Payments and Sublicense Payments (collectively, "**Payments**") by wire transfer of immediately available funds to such bank account or accounts as Seller may from time to time designate by advance written notice to Buyer.

(b) If any currency conversion shall be required in connection with any Royalty Payment or Sublicense Payment, such conversion shall be made by using the arithmetic mean of the exchange rates for the purchase of Dollars as published in The Wall Street Journal, Eastern Edition, on the last Business Day of each month in the Calendar Quarter to which such payments relate.

2.3.7 Interest on Late Payments. If Buyer shall fail to make any Payment pursuant to this Agreement when due, any such late payment shall bear interest, to the extent not prohibited by Law, at a per annum rate equal to the U.S. Prime Rate, as reported in The Wall Street Journal, Eastern Edition, for the first date on which such Payment was delinquent, plus 2.0%, beginning on the first date on which such Payment was delinquent and ending on the date on which such Payment is made, calculated based on the actual number of days such Payment is overdue.

2.3.8 Financial Records; Audits.

(a) Buyer shall, and shall cause its Affiliates and its and their respective (sub)licensees to, keep complete and accurate books and records pertaining to the sale, delivery and use of the Royalty Products during the Pancreas Royalty Term, Thyroid Royalty Term or Other Thyroid Product Royalty Term, as applicable, including books and records of Invoiced Sales (including any deductions therefrom) and Net Sales of, and sublicense Revenue with respect to, the Royalty Products. Buyer shall, and shall cause its Affiliates and its and their respective (sub)licensees to, retain such books and records, until the later of three years after the end of the period to which such books and records pertain and the expiration of the applicable Tax statute of limitations (or any extensions thereof), or for such longer period as may be required by Law.

(b) At the request of Seller, Buyer shall, and shall cause its Affiliates and its and their respective (sub)licensees to, permit an independent certified public accountant retained by Seller, during normal business hours and upon reasonable notice, to audit the books and records maintained pursuant to Section 2.3.8(a). Such audits may not (i) be conducted for any Calendar Quarter more than three years after the end of such Calendar Quarter, (ii) be conducted more than once in any 12-month period (unless a previous audit during such 12-month period revealed an underpayment with respect to such period or Buyer restates or revises such books and records for such 12-month period) or (iii) be repeated for any Calendar Quarter (unless a previous audit for such Calendar Quarter revealed an underpayment with respect to such Calendar Quarter or Buyer restates or revises such books and records for such Calendar Quarter). Except as provided below, the cost of any audit shall be borne by Seller, unless the audit reveals a variance of more than 5% from the reported amounts, in which case Buyer shall bear the cost of the audit. Unless disputed pursuant to Section 2.3.8(c), if such audit concludes that additional payments were owed or that excess payments were made during such period, Buyer shall pay the additional amounts, with interest from the date originally due as provided in Section 2.3.7, or Seller shall reimburse such excess payments, in either case, within 30 days after the date on which such audit is completed and the conclusions thereof are notified to the Parties.

(c) In the event of a dispute over the results of any audit conducted pursuant to Section 2.3.8(b), Seller and Buyer shall work in good faith to resolve such dispute. If the Parties are unable to reach a mutually acceptable resolution of any such dispute within 30 days, the dispute shall be submitted for arbitration to the Accountants. The decision of the Accountants shall be final and the costs of such arbitration as well as the initial audit shall be borne between the Parties in such manner as the Accountants shall determine. Not later than 30 days after such decision and in accordance with such decision, Buyer shall pay the additional royalties, with interest from the date originally due as provided in Section 2.3.7 or Seller shall reimburse such excess payments, as applicable.

(d) Seller shall treat all information subject to review under Section 2.3.8(b) in accordance with the confidentiality provisions of Section 4.4 and Seller shall cause the independent public accountant retained by Seller pursuant to Section 2.3.8(b) or the Accountant, as applicable, to enter into a reasonably acceptable confidentiality agreement with Buyer or its Affiliates or (sub)licensees, as the case may be, that includes an obligation to retain all such Confidential Information (as defined in Section 4.4) in confidence.

2.3.9 Transfer of Assets. If Buyer transfers, sells, licenses, conveys or otherwise disposes of any material rights or assets with respect to any Royalty Product, Buyer shall (a) remain primarily responsible for all of its obligations under Section 2.3.2, Section 2.3.3 and Section 2.3.4, and (b) cause the transferee, licensee or assignee of such material rights or assets to agree in writing to be bound by the obligations set forth in Section 2.3.2, Section 2.3.3 and Section 2.3.4 with respect to applicable Royalty Product.

2.3.10 Allocation of Consideration.

(a) Buyer shall allocate the Purchase Price (including the Assumed Liabilities and other amounts to the extent properly taken into account under Section 1060 of the Code) among the Purchased Assets and the Licensed IP (the "**Allocation**") in accordance with their fair market values within 90 days following the Effective Date, and shall deliver to Seller a copy of such Allocation (IRS Form 8594) promptly after such determination. Seller shall have the right to review and raise any objections in writing to the Allocation during the 10-day period after its receipt thereof, and if Seller does not provide such objections in writing by the end of such 10-day period, the Allocation shall become final. If Seller timely provides such objections with respect to any item in the Allocation, the Parties shall negotiate in good faith to resolve the dispute. If the Parties are unable to agree on the Allocation within 30 days after the commencement of such good faith negotiations (or such longer period as Seller and Buyer may mutually agree in writing), then the Accountants shall be engaged at that time to review the Allocation, and shall make a determination as to the resolution of such Allocation. The determination of the Accountants regarding the Allocation shall be delivered as soon as practicable following engagement of the Accountants, but in no event more than 60 days thereafter, and shall be final, conclusive and binding upon Seller and Buyer, and Buyer shall revise the Allocation accordingly. Seller, on the one hand, and Buyer on the other hand, shall each pay one-half of the cost of the Accountants. The Parties shall not take any position on any Tax Return or in any administrative or judicial proceeding inconsistent with the Allocation as finally determined, except as otherwise required pursuant to a final determination (as defined in Section 1313 of the Code).

(b) The Allocation shall be adjusted in accordance with the procedure set forth in Section 2.3.10(a) to account for any adjustment to the Purchase Price pursuant to Section 2.3.2, Section 2.3.3, Section 2.3.4 or ARTICLE 5.

2.3.11 Withholding. Buyer shall be entitled to deduct and withhold from any amounts otherwise payable to Seller pursuant to this Agreement or the Ancillary Agreements such amounts as are required by applicable Law. If Buyer withholds any such amounts, such amounts shall be treated for all purposes of this Agreement and the Ancillary agreements as having been paid to Seller.

2.4 Closing.

2.4.1 Closing. Pursuant to the terms of this Agreement, the closing of the Transactions (the "**Closing**") shall take place simultaneously with the execution of this Agreement on the Effective Date at the offices of Covington & Burling LLP, 1201 Pennsylvania

Avenue, N.W., Washington, D.C. The Closing shall be deemed to have occurred at 12:00 a.m., eastern time, on the Effective Date.

2.4.2 Closing Deliveries.

(a) Except as otherwise indicated below, at the Closing, Seller shall deliver the following to Buyer:

(i) each of the Ancillary Agreements to which Seller is a party, executed by a duly authorized officer of Seller;

(ii) the Purchased Assets; *provided*, that (A) with respect to tangible Purchased Assets, delivery shall, unless the Parties otherwise mutually agree, be in accordance with Schedule 2.4.2(a)(ii), (B) with respect to the Purchased Contract listed as Item 2 on Schedule 2.1.1(a), delivery shall occur on the day immediately following the completion of Seller's performance of Thyroid Test Version One and Thyroid Test Version Two pursuant to Exhibit A of the Transition Services Agreement, and (C) Seller may retain one copy of (1) the Purchased Records and (2) the Purchased Contracts (and, for clarity, prior to delivering or making available the Purchased Contracts or any files, documents, instruments, papers, books and records containing Purchased Records to Buyer, Seller shall be entitled to redact from such files, documents, instruments, papers, books and records any information to the extent that it does not relate to a Transferred Product);

(iii) a consent to assignment and amendment of the Exclusive License Agreement with Ohio State University in form and substance reasonably acceptable to Buyer and executed by a duly authorized representative of Ohio State University;

(iv) a release of all Encumbrances in favor of Silicon Valley Bank over the Purchased Assets in form and substance reasonably acceptable to Buyer;

(v) a non-foreign affidavit from Seller dated as of the Effective Date, sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Section 1445 of the Code stating that Seller is not a "foreign person" as defined in Section 1445 of the Code; and

(vi) such other proper and necessary instruments for the conveyance of Seller's right, title and interest in, to the Purchased Assets.

(b) At the Closing, Buyer shall deliver the following to Seller:

(i) the Closing Payment; and

(ii) each of the Ancillary Agreements to which Buyer or any of its Affiliates is a party, executed by a duly authorized officer of Buyer or its applicable Affiliate.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of Seller. Seller represents and warrants to Buyer as follows, with each such representation and warranty subject to such exceptions, if any, as are set forth in the corresponding section of the Disclosure Schedules. Disclosures in any section or paragraph or cross-referenced in the particular section of the Disclosure Schedules address the corresponding section or paragraph of this Agreement and other sections or paragraphs of this Agreement to the extent that it is readily apparent from the face of such disclosure that such disclosure is applicable to such other sections or paragraphs.

3.1.1 Corporate Status. Seller is a corporation duly organized, validly existing and in good standing under the Laws of Delaware and has full corporate power and authority to enable it to own, license or otherwise hold the Transferred Products owned, licensed or otherwise held by it and to conduct its business as presently conducted by it.

3.1.2 Authority. Seller has full corporate power and authority to enter into and deliver this Agreement and the Ancillary Agreements to which it is a party, to perform its obligations hereunder and thereunder and to consummate the Transactions. The execution and delivery of this Agreement and the Ancillary Agreements to which Seller is a party and the consummation by Seller of the Transactions have been duly authorized by all necessary corporate actions of Seller. This Agreement and each Ancillary Agreement to which Seller is a party have been duly executed and delivered by Seller and constitute the valid and legally binding obligation of Seller, enforceable against Seller in accordance with its terms.

3.1.3 Non-Contravention. The execution, delivery, consummation and performance by Seller of this Agreement and each Ancillary Agreement to which it is a party do not and will not (a) conflict with or result in a violation of the certificate of incorporation or bylaws or comparable organizational documents of Seller, (b) conflict with or result in a violation of any Law applicable to Seller or the Purchased Assets or (c) subject to obtaining the consents, approvals and authorizations, making the filings and giving the notices referred to in Section 3.1.5(c), (i) require consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or event that constitutes a default under, result in the termination, cancellation or acceleration of, or give rise to a right of termination, cancellation or acceleration of any right or obligation under, any Purchased Contract, the Purchased Patents or the Purchased Trademarks or (ii) result in the imposition or creation of any Encumbrance upon any Purchased Asset.

3.1.4 No Broker. There is no broker, finder, investment banker or financial advisor acting or who has acted on behalf of or based upon arrangements made by Seller, who is entitled to receive any brokerage or finder's or other fee or commission in connection with the Transactions, other than BroadOak Partners, LLC (whose fees and commissions shall be paid by or on behalf of Seller).

3.1.5 No Litigation; Consents.

(a) (i) There is no Litigation pending or, to Seller's Knowledge, threatened against Seller before any Governmental Authority relating to the Transferred Products or the Purchased Assets, and (ii) there is no order or judgment of a Governmental Authority to which Seller is subject relating to the Transferred Products or the Purchased Assets. This Section

3.1.5(a) does not address Litigation with respect to intellectual property, which is the subject of Section 3.1.9. To Seller's Knowledge, no event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Litigation.

(b) Seller has not, in the two years prior to the Effective Date, received any written notice, claim or complaint from any Person alleging a violation of, or failure to comply with, or any liability under, any Laws relating to the ownership or use of the Transferred Products or the Purchased Assets as a result of Seller's Exploitation of any Transferred Product prior to the Effective Date, except, in each case, for any such notice relating to a failure to comply that has since been cured.

(c) Except for (i) consents, permits, authorizations, declarations, filings or registrations that have become applicable solely as a result of the specific regulatory status of Buyer or its Affiliates and (ii) items disclosed in Section 3.1.5(c) of the Disclosure Schedules, no notice to, filing with or Authorization of, any Governmental Authority or other Person is required for Seller to consummate the Transactions.

3.1.6 Title to the Purchased Assets. Immediately prior to the execution and delivery of this Agreement by Seller, Seller owned and had good and valid title to the Purchased Assets, free and clear of all Encumbrances other than Permitted Encumbrances.

3.1.7 Purchased Contracts. The Purchased Contracts are in effect and constitute legal, valid and binding agreements of Seller, enforceable against Seller and, to Seller's Knowledge, each other party thereto, in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar Laws of general application affecting or relating to the enforcement of creditors rights generally, and subject to equitable principles of general applicability, whether considered in a proceeding at law or in equity. Neither Seller nor, to Seller's Knowledge, any other party thereto is in material breach or material default in the performance, observance or fulfillment of any obligation or covenant contained in any of the Purchased Contracts. Seller has not received any written notice from a Third Party (a) stating that such Third Party intends to terminate a Purchased Contract or (b) alleging that Seller is in breach or default in the performance, observance or fulfillment of any obligation or covenant contained in a Purchased Contract, in each case (a) and (b)), other than any such notices that have been withdrawn or related to a breach or default that has been cured. A true and complete copy of each Purchased Contract has been made available to Buyer. Seller has not received any written notice of a dispute, nor, to Seller's Knowledge, is any dispute threatened, relating to any of the Purchased Contracts. Neither Seller, any of its Affiliates nor, to the Seller's Knowledge, any other Person is in breach of any obligation under any purchase order issued under a Purchased Contract, which breach, would reasonably be expected to have a Material Adverse Effect.

3.1.8 Compliance with Law.

(a) During the two years prior to the Closing Date, Seller has complied and is now in compliance with all applicable Laws regarding the ownership of and use of the Purchased Assets and the Transferred Products, including (i) any applicable Laws governing the development, approval, manufacture, sale, marketing, promotion or distribution of the

Transferred Products, including the FFDCA and CLIA, and (ii) all applicable Laws regulating the medical device/diagnostic industry generally, including the U.S. Foreign Corrupt Practices Act (15 U.S.C. §§78dd-1 et seq.), the U.S. Anti−Kickback Statute (42 U.S.C. §1320a−7(b)), the U.S. False Claims Act (42 U.S.C. §1320a−7b(a)), and the U.S. Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. §1320d et. seq.), except, in each case ((i) and (ii)), for such noncompliance that would not reasonably be expected to have a Material Adverse Effect.

(b) None of Seller or any employee or consultant of Seller who has undertaken activities in connection with any Transferred Product has been debarred, restricted, suspended, deemed subject to debarment pursuant to, nor are any such Persons the subject of a conviction described in, (i) Section 306 of FFDCA or (ii) 42 U.S.C. §1320a–7 or any similar debarment or ineligibility provisions applicable to any health care program of a Governmental Authority.

3.1.9 Intellectual Property.

(a) Seller owns the Purchased Patents, the Purchased Trademarks and the Licensed IP free and clear of all encumbrances other than Permitted Encumbrances. All maintenance fees, annuity fees or renewal fees for the Purchased Patents, the Purchased Trademarks and the Licensed Patents that are due and payable have been paid.

(b) None of the Purchased Patents or Licensed IP is involved in any Litigation, reissue, interference, reexamination or opposition.

(c) None of the Purchased Trademarks or registrations or applications to use or register such items is involved in any Litigation, cancellation, nullification, interference, concurrent use or opposition proceeding.

(d) No Litigation is pending or, to Seller's Knowledge, threatened against Seller (i) based upon, challenging or seeking to deny or restrict the use of any of the Purchased Patents, the Licensed IP or the Purchased Trademarks or (ii) alleging that the Exploitation of any Transferred Product infringes or misappropriates the Intellectual Property Rights of any Third Party.

(e) There are no written claims asserted or, to Seller's Knowledge, unasserted claims against Seller of any persons disputing the inventorship or ownership of any of Purchased Patents or Licensed Patents.

(f) Seller is the exclusive owner of the Purchased Patents, and the assignments that have been obtained with respect to the Purchased Patents are valid and have been recorded with the United States Patent and Trademark Office or such international equivalent, as appropriate.

(g) No court has issued any order, judgment, decree or injunction restricting the operation of the Transferred Products on the basis of a conflict with or infringement of the patent rights of any Third Party.

(h) Except for the Purchased Patents, Purchased Trademarks and Licensed IP, Seller and its Affiliates own no Intellectual Property Rights that would be infringed or misappropriated by Buyer's operation of the Transferred Products as operated by Seller on or prior to the Effective Date.

(i) Seller has no Knowledge of any facts that leads Seller to believe that any U.S. patents in the Purchased Patents were not prosecuted, or any U.S. patent applications in the Purchased Patents are not being prosecuted, in compliance with 37 C.F.R. §1.56.

(j) Except as set forth in Section 3.1.9(j)(i) of the Disclosure Schedules, Seller has not granted any licenses, sublicenses or other rights in or with respect to the Purchased Patents, the Purchased Trademarks or Licensed IP to any Third Parties. To Seller's Knowledge, except as set forth in Section 3.1.9(j)(ii) of the Disclosure Schedules, no Third Party is engaging in any commercial activity that infringes or misappropriates the Purchased Patents, the Purchased Trademarks or any Licensed IP.

3.1.10 Customers; Suppliers.

(a) Set forth on Section (a) of the Disclosure Schedules is a list of each supplier from which Seller purchased at least $25,000 of goods or services during the preceding 12 months with respect to any of the Transferred Products (exclusive of suppliers of laboratory equipment) and (b) the order volume by physician for Thyroid Test Version One, on a monthly basis, for the one-year period ended June 30, 2014.

(b) Since January 1, 2014, to Seller's Knowledge, none of the customers of the Transferred Products or customers of services performed using any of the Transferred Products have notified Seller in writing that any such customer will materially reduce or cease using the services performed using any of the Transferred Products. Since January 1, 2014, to Seller's Knowledge, none of the suppliers from which Seller purchased at least $25,000 of goods or services during the preceding 12 months with respect to any of the Transferred Products (exclusively of suppliers of laboratory equipment) or that is the sole supplier of any significant product or service to Seller with respect to any of the Transferred Products has notified Seller in writing that any such supplier will cease to supply product or services to Seller or raise prices from those in effect on the Effective Date.

3.1.11 Purchased Tissue Samples. The Purchased Tissue Samples were collected in accordance with all applicable Law and, to the extent necessary, with the approval of an institutional review board. The transfer of ownership and physical possession of the Purchased Tissue Samples to Buyer will not violate any applicable Law or any informed consent under which the Purchased Tissue Samples were collected.

3.1.12 Purchased Protocols; Purchased Data. The Purchased Protocols and Purchased Data comprise all the material protocols, material standard operating procedures, material data and material data packages in use by Seller with respect to the Transferred Products, whether in a production or development environment, as of the Effective Date.

3.1.13 Volume and Billing Information. The volume and billing information set forth in Section 3.1.13 of the Disclosure Schedule is complete and accurate in all material respects.

3.1.14 Excluded Contracts. The Contracts listed as items 1 and 2 on Schedule 1.1.44 are not and will not be for development, sale or use of any of the transferred products as a companion diagnostic for an FDA or EMA (or equivalent regulatory agency) approved product.

Exclusivity of Representations. SELLER ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN SECTION 3.2, BUYER HAS MADE NO REPRESENTATION OR WARRANTY WHATSOEVER RELATED TO THE TRANSACTIONS AND SELLER HAS NOT RELIED ON ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED.

3.2 Representations and Warranties of Buyer. Buyer represents and warrants to Seller as follows:

3.2.1 Corporate Status. Buyer is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware.

3.2.2 Authority. Buyer has full limited liability company power and authority to enter into this Agreement and the Ancillary Agreements to which it is a party, to perform its obligations hereunder and thereunder and to consummate the Transactions. The execution and delivery of this Agreement and the Ancillary Agreements to which Buyer is a party and the consummation by Buyer of the Transactions have been duly authorized by the necessary corporate actions of Buyer. This Agreement and each Ancillary Agreement to which Buyer is a party have been duly executed and delivered by Buyer and constitute the valid and legally binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

3.2.3 Non-Contravention. The execution, delivery, consummation and performance by Buyer of this Agreement and of each Ancillary Agreement to which it is a party do not and will not (a) conflict with or result in a violation of the certificate of formation or operating agreement, or comparable organizational documents, of Buyer; (b) conflict with or result in a violation of any Law or other restriction of any Governmental Authority applicable to Buyer or (c) subject to obtaining the consents, approvals and authorizations, making the filings and giving the notices referred to in Section 3.2.5(b), require consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or event that constitutes a default under, result in the termination, cancellation or acceleration of, or give rise to a right of termination, cancellation or acceleration of any material Contract to which Buyer is a party, except with respect to clause (c), for violations or breaches that would not reasonably be expected to have a Buyer Material Adverse Effect.

3.2.4 No Broker. There is no broker, finder, financial advisor or other Person acting or who has acted on behalf of Buyer or its Affiliates, who is entitled to receive any brokerage or finder's or financial advisory fee from Seller or any of its Affiliates in connection with the Transactions, other than Torreya Partners, LLC (whose fees and commissions shall be paid by or on behalf of Buyer).

3.2.5 Litigation; Consents.

(a) There is no (i), to Buyer's Knowledge, Litigation pending or threatened against Buyer or any of its Affiliates by or before any Governmental Authority, or (ii) order or judgment of a Governmental Authority to which Buyer or any of its Affiliates is subject, in each case, except for such Litigation, orders or judgments that would not reasonably be expected to have a Buyer Material Adverse Effect.

(b) Except for consents, permits or authorizations that if not received, or declarations, filings or registrations that if not made, would not reasonably be expected to have a Buyer Material Adverse Effect, no notice to, filing with, permit of, authorization of, exemption by, or consent of, Governmental Authority or other Person is required for Buyer to consummate the Transactions.

3.2.6 Financial Capacity. Buyer has immediately available cash that is sufficient to enable it to consummate the Transactions and perform its obligations under this Agreement and the Ancillary Agreements.

3.2.7 Compliance with Applicable Law. Buyer is aware of applicable Law relating to Exploitation of the Transferred Products.

3.2.8 Debarred Personnel. None of Buyer, any of Buyer's Affiliates or any employee or consultant of Buyer has been debarred, restricted, suspended, deemed subject to debarment pursuant to, nor are any such Persons the subject of a conviction described in, (a) Section 306 of the FFDCA or (b) 42 U.S.C. §1320a–7 or any similar debarment or ineligibility provisions applicable to any health care program of a Governmental Authority.

Exclusivity of Representations. BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN SECTION 3.1, SELLER HAS MADE NO REPRESENTATION OR WARRANTY WHATSOEVER RELATED TO THE TRANSACTIONS AND BUYER HAS NOT RELIED ON ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BUYER ACKNOWLEDGES AND AGREES THAT, (A) EXCEPT AS EXPRESSLY PROVIDED IN SECTION 3.1, BUYER IS ACQUIRING THE PURCHASED ASSETS ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY EXPRESS OR IMPLIED WARRANTIES, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, INCLUDING ANY WARRANTY AS TO QUALITY, FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, CONDITION OF ASSETS OR AS TO ANY OTHER MATTER, AND (B) SELLER DOES NOT REPRESENT OR WARRANT THAT THE PURCHASED ASSETS, OR THE RIGHTS GRANTED BY SELLER TO BUYER UNDER EITHER THE CPRIT LICENSE AGREEMENT OR THE LICENSE AGREEMENT, INDIVIDUALLY OR COLLECTIVELY, INCLUDE ALL ASSETS OR RIGHTS NECESSARY TO PRACTICE OR EXPLOIT THE TRANSFERRED PRODUCTS.

ARTICLE 4
COVENANTS

4.1 Cooperation in Litigation and Investigations. From and after the Effective Date, Buyer and Seller shall fully cooperate with each other in the defense or prosecution of any Litigation, examination or audit instituted prior to or after the Closing against or by either Party relating to or arising out of the Exploitation of a Transferred Product prior to or after the Closing (other than Litigation between Buyer and Seller or their respective Affiliates arising out of the Transactions). In connection therewith, and except as set forth in any Ancillary Agreement, from and after the Effective Date, each of Seller and Buyer shall make available to the other during normal business hours and upon reasonable prior written notice, but without unreasonably disrupting its business, all records relating exclusively to the Transferred Products, Purchased Assets, Assumed Liabilities and Excluded Liabilities held by it and reasonably necessary to permit the defense or investigation of any such Litigation, examination or audit (other than Litigation between Buyer and Seller or their respective Affiliates arising out of the Transactions, with respect to which applicable rules of discovery shall apply), and shall preserve and retain all such records for the length of time contemplated by its standard record retention policies and schedules. The Party requesting such cooperation shall pay the reasonable out-of-pocket costs and expenses of providing such cooperation (including legal fees and disbursements) incurred by the Party providing such cooperation.

4.2 Further Assurances.

4.2.1 Each of Seller and Buyer shall, at any time or from time to time after the Closing, at the request and expense of the other, execute and deliver to the other all such instruments and documents or further assurances as the other may reasonably request in order to (a) vest in Buyer all of the rights, title and interests of Seller in and to the Purchased Assets as contemplated hereby, (b) effectuate Buyer's assumption of the Assumed Liabilities and (c) grant to each Party all rights contemplated herein to be granted to such Party under the Ancillary Agreements; provided, that after the Closing, apart from such customary further assurances, neither Seller nor Buyer shall have any other obligations except as specifically set forth and described herein or in the Ancillary Agreements. Seller shall cause its employees to be available to Buyer for the purposes of transferring the Purchased Assets to Buyer to the extent set forth in the Transition Services Agreement, but shall have no additional obligation to instruct Buyer in the use or practice of the Purchased Assets or the Exploitation of any Transferred Product.

4.2.2 From and after the Effective Date, Seller shall use its commercially reasonable efforts to assist Guarantor in (a) the preparation of financial statements of the Purchased Assets and the Transferred Products meeting the requirements applicable to a registrant pursuant to Regulation S-X promulgated under the Securities Act of 1933, as amended, (b) obtaining an unqualified audit opinion in accordance with GAAP from the independent public accounting firm as Guarantor shall specify (the "**Accounting Firm**") with respect to such financial statements (including the consent of the Accounting Firm to the inclusion of such opinion in one or more reports or registration statements that may be filed by the Buyer or its Affiliates with the SEC), (c) the preparation of any pro forma financial statements or other financial information that may be required to be filed by Guarantor under applicable SEC rules and regulations and (d) causing the Accounting Firm to issue one or more customary comfort letters with respect to the financial information of the Purchased Assets and the Transferred Products, provided that in each case such assistance shall not unduly disrupt Seller's ordinary

course business activities or operations. In connection therewith, Seller shall use commercially reasonable efforts to (i) obtain and provide such data and financial information with respect to the Purchased Assets and the Transferred Products in the possession of Seller or its Affiliates and (ii) provide Guarantor and its representatives access to the individuals with knowledge of such data and financial information, in each case as may be reasonably necessary or required in connection with the preparation of such financial statements and obtaining such audit opinion. Without limiting the foregoing, Seller shall, as promptly as reasonably practicable following the request of the Accounting Firm, cause to be delivered to the Accounting Firm a representation letter in such form as may be reasonably requested by the Accounting Firm.

4.2.3 Buyer shall pay (a) all fees and expenses charged by the Accounting Firm to audit the financial statements and financial information referred to in Section 4.2.2 (collectively, the "**Financial Information**"), (b) all other reasonable and documented out-of-pocket fees and expenses of Asuragen incurred in connection with the assistance provided by Asuragen pursuant to Section 4.2.2 and (c) the documented fees set forth in Schedule 4.2.3, in the case of (b) and (c), as invoiced monthly by Seller in arrears.

4.2.4 Buyer shall, and shall cause Guarantor to, forever defend, indemnify and hold harmless Asuragen and its Affiliates and their respective directors, officers, agents and employees from and against any and all Losses claimed or arising directly or indirectly from the (a) use of the Financial Information or any information taken or derived therefrom or (b) inclusion of the Financial Information or any information taken or derived therefrom in SEC filings of the Guarantor.

4.2.5 The Parties acknowledge and agree it is their intention and expectation that in Asuragen providing the Financial Information and fulfilling its obligations set forth herein, Asuragen and its Affiliates shall not become subject to any Liability to Buyer, Guarantor or any of their respective Affiliates (collectively, the "**Buyer Entities**"), any purchaser or seller of securities of any of the Buyer Entities or any other Person directly or indirectly claimed or arisen from or in connection with the (a) use of the Financial Information or any information taken or derived therefrom or (b) inclusion of the Financial Information or any information taken or derived therefrom in SEC filings of the Guarantor.

4.2.6 Nothing included in Sections 4.2.4 and 4.2.5 shall reduce or limit in any way the rights of Buyer Indemnitees to indemnification under ARTICLE 5.

4.3 Publicity. Neither Buyer nor Seller shall issue any public announcement related to this Agreement (including the execution hereof) or the Transactions without the approval of the other Party, which approval shall not be unreasonably withheld, conditioned or delayed, except the approval of the other Party shall not be required in connection with any public disclosure which the Party intending to make such public disclosure, in its good faith judgment, believes is required by applicable Law or by any stock exchange on which its securities or those of its Affiliates are listed. If either Party, in its good faith judgment, believes such disclosure is required, such Party will use its commercially reasonable efforts to consult with the other Party and its Representatives, and to consider in good faith any revisions proposed by the other Party or its Representatives, as applicable, prior to making (or prior to any of its Affiliates making) such disclosure, and shall limit such disclosure to only that information which is legally required

to be disclosed. Nothing in this Section 4.3 shall prohibit the Parties from making internal announcements to their respective employees that are consistent with the Parties' prior public disclosures regarding the Transactions.

4.4 Confidentiality.

4.4.1 All Confidential Information provided by one Party (or its Representatives or Affiliates) (collectively, the "**Disclosing Party**" with respect to such Confidential Information) to the other Party (or its Representatives or Affiliates) (collectively, the "**Receiving Party**" with respect to such Confidential Information) shall be subject to and treated in accordance with the terms of this Section 4.4. As used in this Section 4.4, "**Confidential Information**" means, as to a Party (a) all information disclosed by such Party (or its Representatives or Affiliates) to the Receiving Party in connection with this Agreement or any Ancillary Agreement, including all information with respect to the Disclosing Party's licensors, licensees or Affiliates, (b) all information disclosed to the Receiving Party by the Disclosing Party under the Confidentiality Agreement and (c) all memoranda, notes, analyses, compilations, studies and other materials prepared by or for the Receiving Party to the extent containing or reflecting the information in the preceding clause (a) or (b). Notwithstanding the foregoing, Confidential Information shall not include information that, in each case as demonstrated by competent written documentation:

(i) was already known to the Receiving Party, other than under an obligation of confidentiality, at the time of disclosure by the Disclosing Party;

(ii) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party;

(iii) became generally available to the public or otherwise part of the public domain after its disclosure to the Receiving Party other than through any act or omission of the Receiving Party in breach of this Agreement or the Confidentiality Agreement;

(iv) is subsequently disclosed to the Receiving Party by a Third Party without obligations of confidentiality with respect thereto; or

(v) is subsequently independently discovered or developed by the Receiving Party without the aid, application or use of Confidential Information of the Disclosing Party.

4.4.2 (a) All Confidential Information obtained by Seller (or its Affiliates or Representatives) from Buyer (or its Affiliates or Representatives) and (b) all Confidential Information to the extent relating solely to the Purchased Assets, the Transferred Products and the Assumed Liabilities ((a) and (b), collectively, the "**Buyer Confidential Information**") shall be deemed to be Confidential Information disclosed by Buyer to Seller for purposes of this Section 4.4 and shall be used by Seller solely as required to (i) perform its obligations or exercise or enforce its rights under this Agreement (including Seller's exercise of the rights retained pursuant to Section 2.1.3) or any Ancillary Agreement; (ii) operate the business of Seller and its Affiliates except as prohibited by the Non-Competition Agreement in substantially the form set forth in Exhibit E or (iii) comply with applicable Law (each of (i) through (iii), a "**Seller**

Permitted Purpose"), and for no other purpose. For a period of 10 years after the Effective Date, Seller shall not, and shall cause its Affiliates controlled by Seller not to, disclose, or permit the disclosure of, any of the Buyer Confidential Information to any Person except those Persons to whom such disclosure is necessary in connection with any Seller Permitted Purpose and then under terms of confidentiality substantially similar to the obligations of this Section 4.4 and Seller shall not, and shall cause its Affiliates controlled by Seller not to, use the Buyer Confidential Information except in connection with a Seller Permitted Purpose; *provided*, that with respect to any Buyer Confidential Information that is a Trade Secret, Seller shall, and shall cause its Affiliates and Representatives to, not disclose, or permit the disclosure of, such information for the period of time that it is considered a Trade Secret under the UTSA, other than in compliance with the Confidentiality Agreement or in accordance with Section 4.4.4. Seller shall treat, and shall cause its Affiliates and the Representatives of Seller or any of its Affiliates to treat, the Buyer Confidential Information as confidential, using the same degree of care as Seller normally employs to safeguard its own confidential information from unauthorized use or disclosure, but in no event less than a reasonable degree of care.

4.4.3 All Confidential Information obtained by Buyer (or its Affiliates or Representatives) from Seller (or its Affiliates or Representatives) other than the Buyer Confidential Information (the "**Seller Confidential Information**") shall be used by Buyer solely as required to (a) perform its obligations or exercise or enforce its rights under this Agreement or any Ancillary Agreement, or (b) comply with applicable Law (each of (a) and (b), a "**Buyer Permitted Purpose**"), and for no other purpose. For a period of 10 years after the Effective Date, Buyer shall not, and shall cause its Affiliates controlled by Buyer not to, disclose, or permit the disclosure of, any of the Seller Confidential Information to any Person except those Persons to whom such disclosure is necessary in connection with a Buyer Permitted Purpose and Buyer shall not use, or permit the use of, the Seller Confidential Information, except in connection with a Buyer Permitted Purpose; *provided*, that with respect to any Seller Confidential Information that is a Trade Secret, Buyer shall not disclose, or permit the disclosure of, such information for the period of time that it is considered a Trade Secret under the UTSA, other than in compliance with the Confidentiality Agreement or in accordance with Section 4.4.4. Buyer shall treat, and shall cause its Affiliates and the Representatives of Buyer or any of its Affiliates to treat, Seller Confidential Information as confidential, using the same degree of care as Buyer normally employs to safeguard its own confidential information from unauthorized use or disclosure, but in no event less than a reasonable degree of care.

4.4.4 In the event either Party is requested pursuant to, or required by, applicable Law to disclose any of the other Party's Confidential Information (*i.e*., Seller Confidential Information or Buyer Confidential Information, as applicable), it will notify the other Party in a timely manner so that such Party may seek a protective order or other appropriate remedy or, in such Party's sole discretion, waive compliance with the confidentiality provisions of this Agreement. Each Party will cooperate, at the expense of the Party whose Confidential Information is being disclosed, in all reasonable respects in connection with any reasonable actions to be taken for the foregoing purpose. In any event, if a Party is required by applicable Law to disclose such Confidential Information, such Party may furnish only that portion of the Confidential Information which such Party is advised by counsel is legally required, and if confidential treatment is available such Party exercises reasonable efforts, at the

expense of the Party whose Confidential Information is being disclosed, to obtain reliable assurances that confidential treatment will be accorded such Confidential Information.

4.4.5 Nothing in this Section 4.4 shall be construed as preventing or in any way inhibiting either Party from complying with applicable Law governing activities and obligations undertaken pursuant to this Agreement or any Ancillary Agreement in any manner which it is so advised by counsel.

4.5 Buyer's Diligence Obligations.

4.5.1 Commercialization of Initial Thyroid Product. Buyer shall and shall cause each of its Affiliates and its and their respective (sub)licensees, if any, to use its and their, as applicable, Commercially Reasonable Efforts to make the first Qualifying Sale of, or perform the first Qualifying Service using, a Laboratory Developed Test (LDT) directed towards thyroid cancer that assays for, or otherwise measures, at least the Molecular Markers (the "**Initial Thyroid Product**") in the United States within three months after the Effective Date, and thereafter to continue to Exploit the Initial Thyroid Product in the United States during the Thyroid Royalty Term.

4.5.2 Launch of a Pancreas Royalty Product. Buyer shall and shall cause each of its Affiliates and its and their respective (sub)licensees, if any, to use its and their, as applicable, Commercially Reasonable Efforts to make the first Qualifying Sale of, or perform the first Qualifying Service using, a Pancreas Royalty Product in the United States no later than the date that is 18 months after the Effective Date, and thereafter to continue to Exploit a Pancreas Royalty Product in the United States during the Pancreas Royalty Term.

4.6 Records; Reports; Audit.

4.6.1 Records. Buyer shall maintain, or cause to be maintained, all records and documentation relating to its Exploitation of the Initial Thyroid Product and the Pancreas Royalty Products in sufficient detail for Seller to ascertain whether Buyer is in compliance with its obligations under Section 4.5. Buyer shall retain, or cause to be retained, such records and documentation until three years after the end of the period to which such books and records pertain. Seller shall have the right, during normal business hours and upon reasonable advance written notice, to inspect and copy any such records, all of which shall be considered Buyer Confidential Information.

4.6.2 Reports. Buyer shall promptly notify Seller in writing of the first Qualifying Sale of, or Qualifying Service using, each of the Initial Thyroid Product and a Pancreas Royalty Product. From time to time until the performance of the first Qualifying Service using a Pancreas Royalty Product, upon Seller's reasonable request, Buyer shall provide a high-level report to Seller in form and substance reasonably acceptable to Seller of Buyer's development or commercialization activities with respect to the Pancreas Royalty Products.

4.6.3 Meetings. If at any time Seller has a reasonable basis to believe that Buyer is in material breach of its obligations under Section 4.5, then Seller shall so notify Buyer in writing, specifying the basis for its belief, and, without limitation of any other right or remedy available to Seller hereunder, at Seller's request, the Parties shall meet within 30 days after such

notice to discuss in good faith Seller's concerns and Buyer's plans with respect to the Exploitation of the Royalty Products.

4.7 Buyer's Regulatory Responsibilities. Subject to the terms of the Transition Services Agreement and except as required by a Party to comply with applicable Law or to exercise its rights and obligations hereunder or under any other Ancillary Agreement, Buyer shall have the sole right and responsibility for preparing, obtaining and maintaining all Regulatory Approvals necessary for the Royalty Products, and for conducting communications with Governmental Authorities for the Royalty Products.

4.8 Medical and Other Inquiries. Except to the extent otherwise provided in the Transition Services Agreement, Buyer or its designee (a) shall be responsible for, and shall handle and respond to, all customer complaints and inquiries (including medical and non-medical inquiries) related to the Royalty Products (*provided*, that Buyer shall consult and coordinate with Seller prior to communicating with any Regulatory Authority in connection with any customer complaints and reported defects with respect to the Transferred Products in relation to tests performed prior to the Effective Date or during the Term of the Transition Services Agreement), and (b) shall be responsible for, and shall conduct, all correspondence and communication with physicians and other health care professionals relating to the Royalty Products sold by Buyer after the Effective Date except as set forth in the Transition Services Agreement.

4.9 Wrong Pockets. For a period of up to six months after the Effective Date, if either Buyer or Seller becomes aware that any of the Purchased Assets has not been transferred to Buyer or that any of the Excluded Assets has been transferred to Buyer, it shall promptly notify the other and the Parties shall, as soon as reasonably practicable, ensure that such property is transferred, at the expense of the Party that is seeking the assets to be transferred to it and with any necessary prior Third Party consent or approval, to (a) Buyer, in the case of any Purchased Asset that was not transferred to Buyer at the Closing; or (b) Seller, in the case of any Excluded Asset that was transferred to Buyer at the Closing.

4.10 Certain Tax Matters.

4.10.1 Transfer Taxes and Apportioned Obligations.

(a) All recordation, transfer, documentary, excise, sales, value added, use, stamp, conveyance or other similar Taxes, duties or governmental charges, and all recording or filing fees or similar costs, imposed or levied by reason of, in connection with or attributable to this Agreement and the Ancillary Agreements or the Transactions (collectively, "**Transfer Taxes**") shall be paid 50% by Buyer and 50% by Seller at the due time for payment or such other time as is stipulated under applicable Law. The Seller and the Buyer shall cooperate in the timely preparation of all Tax Returns as may be required in connection therewith, and the Buyer, at its own expense, shall file, or cause to be filed, all such Tax Returns.

(b) All personal property and similar ad valorem obligations levied with respect to the Purchased Assets for a taxable period that includes (but does not end on) the Effective Date (collectively, the "**Apportioned Obligations**") shall be apportioned between

Seller and Buyer based on the number of days of such taxable period ending on the Effective Date (such portion of such taxable period, the "**Pre-Closing Tax Period**") and the number of days of such taxable period after the Effective Date (such portion of such taxable period, the "**Post-Closing Tax Period**"). Seller shall be liable for the proportionate amount of such Apportioned Obligations that is attributable to the Pre-Closing Tax Period, and Buyer shall be liable for the proportionate amount of such Apportioned Obligations that is attributable to the Post-Closing Tax Period.

(c) Apportioned Obligations and Transfer Taxes shall be timely paid, and all applicable filings, reports and returns shall be filed, as provided by applicable Law. In each case, the paying Party shall be entitled to reimbursement from the non-paying Party in order to effect the apportionment required by Sections 4.10.1(a) or 4.10.1(b), as applicable. Upon payment of any such Apportioned Obligation or Transfer Taxes, the paying Party shall present a statement to the non-paying Party setting forth the amount of reimbursement to which the paying Party is entitled together with such supporting evidence as is reasonably necessary to calculate the amount to be reimbursed. The non-paying Party shall make such reimbursement promptly but in no event later than 10 days after the presentation of such statement.

4.10.2 Cooperation and Exchange of Information. Each of Seller and Buyer shall (a) provide the other with such assistance as may reasonably be requested by the other in connection with the preparation of any Tax Return, audit or other examination by any taxing authority or judicial or administrative proceeding relating to Liability for Taxes in connection with the Transferred Products or the Purchased Assets; (b) retain and provide the other with any records or other information that may be relevant to such Tax Return, audit or examination, proceeding or determination and (c) inform the other of any final determination of any such audit or examination, proceeding or determination that affects any amount required to be shown on any Tax Return of the other for any period.

4.10.3 Survival of Covenants. The covenants contained in this Section 4.10 shall survive until 30 days after the expiration of the applicable statute of limitations (including extensions thereof).

4.11 Non-Solicitation of Employees. Commencing on the Effective Date and for a period of two years thereafter, neither Party shall, directly or indirectly, recruit or solicit for employment or consulting services any employee of the other Party or any of their respective Affiliates without the prior written consent of the other Party; provided that Buyer may solicit and hire any and all members of the sales team of Seller who were primarily involved in generating sales for any of the Transferred Products. For purposes of this Section, "recruit" and "solicit" shall be deemed not to include: (a) circumstances where an employee of a Party or any of its Affiliates initially contacts such Party or any of such Party's Affiliates seeking employment; or (b) general solicitations of employment not specifically targeted at such employees.

4.12 Regulatory Classification. The Parties expressly recognize that FDA policies with respect to laboratory developed tests may change in the future. Other than with respect to the definition of "Commercially Reasonably Efforts" as set forth in Section 1.1.28, any future

changes in FDA policy shall not affect the rights and obligations of the parties under this Agreement.

ARTICLE 5
INDEMNIFICATION

5.1 Indemnification.

5.1.1 Indemnification by Seller. Following the Closing, but subject to the provisions of this ARTICLE 5, Seller shall indemnify, defend and hold harmless Buyer and its Affiliates, and its and their respective officers, directors, employees and agents (collectively, "**Buyer Indemnitees**") from and against any and all Losses incurred by any Buyer Indemnitee arising out of or related to:

(a) any breach of any of the representations or warranties made by Seller in this Agreement or any Ancillary Agreement, other than any Ancillary Agreement that contains separate indemnification provisions;

(b) any failure of Seller to perform or any breach by Seller of any of its covenants, agreements or obligations contained in this Agreement or in any Ancillary Agreement;

(c) any Excluded Liability;

(d) all Taxes of Seller other than Apportioned Obligations for the Post-Closing Tax Period;

(e) any failure of Seller to pay Transfer Taxes or Apportioned Obligations allocated to Seller under Section 4.10.1;

(f) Section 6.11;

(g) any claim listed on Schedule 5.1.1(g); or

(h) any fees or commissions incurred or owed by Seller to any broker, finder, investment banker or financial advisor acting or who has acted on behalf of or based upon arrangements made by Seller in connection with the transactions contemplated by this Agreement.

5.1.2 Indemnification by Buyer. Following the Closing, but subject to the provisions of this ARTICLE 5, Buyer shall indemnify, defend and hold harmless Seller and its Affiliates, and its and their respective officers, directors, employees and agents (collectively, "**Seller Indemnitees**") from and against any and all Losses incurred by any Seller Indemnitee arising out of or related to:

(a) any breach of any of the representations or warranties made by Buyer in this Agreement or any Ancillary Agreement, other than any Ancillary Agreement that contains separate indemnification provisions;

(b) any failure of Buyer to perform or any breach by Buyer of any of its covenants, agreements or obligations contained in this Agreement or in any Ancillary Agreement;

(c) any Assumed Liability;

(d) any failure of Buyer to pay Transfer Taxes or Apportioned Obligations allocated to Buyer under Section 4.10.1; or

(e) any fees or commissions incurred or owed by Seller to any broker, finder, investment banker or financial advisor acting or who has acted on behalf of or based upon arrangements made by Buyer in connection with the transactions contemplated by this Agreement.

5.2 Claim Procedure.

5.2.1 Indemnification Claim Procedure. Except as provided in Section 5.2.2 with respect to Third Party claims, in the event of a claim made by a Buyer Indemnitee or a Seller Indemnitee (the "**Indemnified Party**"), the Indemnified Party shall give reasonably prompt written notice to the other Party (the "**Indemnifying Party**"), which notice (an "**Indemnification Certificate**") shall: (a) state that the Indemnified Party has paid or properly accrued or in good faith anticipates that it will have to pay or accrue Losses that are subject to indemnification by the Indemnifying Party pursuant to Section 5.1.1 or Section 5.1.2, as applicable, and (b) specify in reasonable detail the facts and circumstances supporting the Indemnified Party's claim for indemnification (to the extent known) and contain a non-binding preliminary, good faith estimate of the amount to which the Indemnified Party claims to be entitled (to the extent known); *provided*, that the failure to give reasonably prompt notice shall not relieve the applicable Indemnifying Party of its indemnification obligations under this Agreement except to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. In the event that the Indemnifying Party agrees to or is determined to have an obligation to indemnify or reimburse the Indemnified Party for Losses as provided in this ARTICLE 5 the Indemnifying Party shall, subject to the provisions of Section 5.2.2, promptly (but in any event, within 30 days of receipt of the Indemnification Certificate) pay such amount to the Indemnified Party by wire transfer of immediately available funds to the account specified in writing by the Indemnified Party. If the Indemnifying Party objects to all or a portion of the Indemnified Party's claim made in the Indemnification Certificate, the Indemnifying Party will notify the Indemnified Party of such objection by delivering a written statement (the "**Objection Notice**") to the Indemnifying Party within 30 days following receipt of the Indemnification Certificate. The Objection Notice shall indicate whether the Indemnifying Party objects to all or only a portion of the claim specified in the Indemnification Certificate and shall specify in reasonable detail the facts and circumstances supporting the Indemnifying Party's basis and reasons for such objection. An Indemnifying Party's failure to deliver an Objection Notice in accordance with the provisions of this Section 5.2.1 within such 30-day period to any claim set forth in an Indemnification Certificate shall be deemed to be the Indemnifying Party's acceptance of, and waiver of any objections to, such claim and the Indemnifying Party shall be deemed to have agreed that an amount equal to the full claimed amount specified in the

Indemnification Certificate is owed to the Indemnified Party. If the Indemnifying Party in its Objection Notice objects only to a portion of the claim set forth in the Indemnification Certificate (the amount of Losses claimed in the Indemnification Certificate to which the Indemnifying Party does not object shall be referred to herein as the "**Agreed Amount**"), then such Indemnifying Party shall, within 10 Business Days following the delivery of such Objection Notice pay the Agreed Amount to the Indemnified Party. If an Indemnifying Party shall provide Objection Notice in accordance with the provisions of this Section 5.2.1, the Indemnifying Party and the Indemnified Party shall attempt in good faith for a period of 20 days following the Indemnified Party's receipt of the Objection Notice to agree upon the rights of the respective parties with respect to each of such claims. If no such agreement can be reached after such 20-day period of good faith negotiation, either the Indemnifying Party or the Indemnified Party may initiate Litigation for purposes of having the matter settled in accordance with the terms of this Agreement.

5.2.2 Third Party Claim Procedure. In the event an Indemnified Party becomes aware of a claim made by a Third Party (including any action or proceeding commenced or threatened to be commenced by any Third Party) that such Indemnified Party in good faith believes may result in an indemnification claim pursuant to Section 5.1 and such Indemnified Party intends to seek indemnity pursuant to this ARTICLE 5, such Indemnified Party shall promptly (and in any event within 10 Business Days after receiving written notice of such claim) notify the Indemnifying Party in writing of such claim (such notice, the "**Claim Notice**"). The Claim Notice shall be accompanied by reasonable supporting documentation submitted by the Third Party making such claim and shall describe in reasonable detail (to the extent known by the Indemnified Party) the facts constituting the basis for such claim and the amount of the claimed damages; *provided*, that no delay or failure on the part of the Indemnified Party in delivering a Claim Notice shall relieve the applicable Indemnifying Party of its indemnification obligations under this Agreement except to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Within 30 days after receipt of any Claim Notice, the Indemnifying Party may, upon written notice thereof to the Indemnified Party, assume control of the defense of the claim referred to therein at the Indemnifying Party's sole cost and expense (which shall be subject to Section 5.3) with counsel reasonably satisfactory to the Indemnified Party; *provided*, that if the Indemnifying Party is Seller, such Indemnifying Party shall not have the right to defend or direct the defense of any such claim by a Third Party that (x) is asserted directly by or on behalf of a Person that is a customer of Buyer with respect to a Transferred Product or (y) seeks an injunction or other equitable relief against the Indemnified Party. If the Indemnifying Party does not so assume control of the defense of such claim, the Indemnified Party shall control the defense of such claim. The Party not controlling the defense of such claim (the "**Non-Controlling Party**") may participate therein at its own expense; *provided*, that if the Indemnifying Party assumes control of the defense of such claim and the Indemnifying Party and the Indemnified Party have conflicting interests that cannot be waived or different defenses available with respect to such claim that cause the Indemnified Party to hire its own separate counsel with respect to such proceeding, the reasonable fees and expenses of counsel to the Indemnified Party in each jurisdiction for which the Indemnified Party reasonably determines counsel is required shall be considered "Losses" for purposes of this Agreement. The Party controlling the defense of such claim (the "**Controlling Party**") shall keep the Non-Controlling

Party advised of the status of such claim and the defense thereof and shall consider in good faith recommendations made by the Non-Controlling Party with respect thereto. The Non-Controlling Party shall furnish the Controlling Party with such information as it may have with respect to such claim (including copies of any summons, complaint or other pleading that may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and shall otherwise reasonably cooperate with and assist the Controlling Party in the defense of such claim as may be necessary. Neither the Indemnified Party nor the Indemnifying Party shall agree to any settlement of, or the entry of any judgment arising from, any such claim without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; *provided*, that the consent of the Indemnified Party shall not be required with respect to any such settlement or judgment if the Indemnifying Party agrees in writing to pay or cause to be paid any amounts payable pursuant to such settlement or judgment and such settlement or judgment includes no admission of liability by or other obligation on the part of the Indemnified Party and includes a complete release of the Indemnified Party from further Liability.

5.3 Limitations on Indemnification.

5.3.1 The provisions for indemnity under Section 5.1.1(a), Section 5.1.1(g) or Section 5.1.2(a) shall be effective only when the aggregate amount of all Losses for claims or series of related claims arising from the same facts and circumstances for which indemnification is sought from any Indemnifying Party exceeds the sum of $50,000 and 1.0% of any Milestone Payment, Royalty Payments and Sublicense Payments actually paid pursuant to Section 2.3.2, Section 2.3.3 and Section 2.3.4 (the "**Deductible**"), in which case the Indemnified Party shall be entitled to indemnification of the Indemnified Party's Losses in excess of the Deductible; provided, that the foregoing limitation shall not be applicable for breaches of any Fundamental Rep.

5.3.2 In no event shall any Indemnifying Party have liability for indemnification under: (a) Section 5.1.1(a) or Section 5.1.2(a), as applicable, for any amount exceeding, in the aggregate, the sum of $500,000 and 10.0% of any Milestone Payment, Royalty Payments and Sublicense Payments actually paid pursuant to Section 2.3.2, Section 2.3.3 and Section 2.3.4 (the "**Cap**"); *provided*, that the foregoing limitation on indemnification described in this Section 5.3.2 shall not apply to breaches of any Fundamental Rep; or (b) under Section 5.1.1(g), in an amount in excess of $1,000,000.

5.3.3 The Indemnified Party shall take commercially reasonable steps to mitigate any Losses incurred by such party upon and after becoming aware of any event or condition that would reasonably be expected to give rise to any indemnification rights hereunder. The amount of Losses recovered by an Indemnified Party under Section 5.1.1 or Section 5.1.2, as applicable, shall be reduced by (a) any amounts actually recovered by the Indemnified Party from a Third Party in connection with such claim and (b) the amount of any insurance proceeds paid to the Indemnified Party relating to such claim. If any amounts referenced in the preceding clauses (a) and (b) are received after payment by the Indemnifying Party of the full amount otherwise required to be paid to an Indemnified Party pursuant to this ARTICLE 5 the Indemnified Party shall repay to the Indemnifying Party, reasonably promptly after such receipt,

any amount that the Indemnifying Party would not have had to pay pursuant to this ARTICLE 5 had such amounts been received prior to such payment.

5.3.4 If the Indemnified Party receives any payment from an Indemnifying Party in respect of any Losses pursuant to Section 5.1.1 or Section 5.1.2 and the Indemnified Party could have recovered all or a part of such Losses from a Third Party based on the underlying claim asserted against the Indemnifying Party, the Indemnified Party shall assign such of its rights to proceed against such Third Party as are necessary to permit the Indemnifying Party to recover from the Third Party the amount of such payment.

5.3.5 For purposes of this ARTICLE 5, the Losses associated with any inaccuracy in or breach of any representation or warranty shall be determined without regard to materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty.

5.3.6 The representations and warranties of Seller and Buyer contained in this Agreement shall survive the Closing and continue in full force and effect thereafter through and including the date that is 18 months after the Effective Date; *provided*, that the Fundamental Reps shall remain in full force and effect and shall survive indefinitely or, if applicable, until 60 days following the expiration of the applicable statute of limitations; *provided, further*, that if a Claim Notice or Indemnification Certificate relating to the breach of any representation or warranty is given to the Indemnifying Party on or prior to the date on which the applicable survival period described in this Section 5.3.5 expires, then, notwithstanding anything to the contrary contained in this Section 5.3.5, such Claim Notice or Indemnification Certificate, as applicable, shall not expire at the applicable expiration date, but rather shall remain in full force and effect until such time as the Claim Notice or the Indemnification Certificate has been fully and finally resolved.

5.3.7 Seller's obligation under Section 5.1.1(g) shall expire on the date that is 24 months after the Effective Date; *provided*, that if a Claim Notice relating to Section 5.1.1(g) is given to Seller on or prior to such date, then, notwithstanding anything to the contrary contained in this Section 5.3.7, such Claim Notice shall not expire at the applicable expiration date, but rather shall remain in full force and effect until such time as the Claim Notice has been fully and finally resolved.

5.3.8 TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT AS A RESULT OF FRAUD, OTHER THAN THOSE PAID OR PAYABLE TO THIRD PARTIES, NEITHER BUYER NOR SELLER SHALL BE LIABLE TO THE OTHER, OR THEIR AFFILIATES, FOR ANY CLAIMS, DEMANDS OR SUITS FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT OR MULTIPLE DAMAGES, INCLUDING LOSS OF PROFITS, REVENUE OR INCOME, DIMINUTION IN VALUE OR LOSS OF BUSINESS OPPORTUNITY (WHETHER OR NOT FORESEEABLE AT THE EFFECTIVE DATE) CONNECTED WITH OR RESULTING FROM ANY BREACH OF THIS AGREEMENT OR ANY ANCILLARY AGREEMENT, OR ANY ACTIONS UNDERTAKEN IN CONNECTION HEREWITH OR THEREWITH, OR RELATED HERETO OR THERETO, INCLUDING ANY SUCH DAMAGES THAT ARE BASED UPON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE AND

MISREPRESENTATION), BREACH OF WARRANTY, STRICT LIABILITY, STATUTE, OPERATION OF LAW OR ANY OTHER THEORY OF RECOVERY; PROVIDED, THAT BUYER ACKNOWLEDGES AND AGREES THAT THE LOSS OF THE MILESTONE PAYMENT, ANY ROYALTY PAYMENTS OR ANY SUBLICENSE PAYMENTS SHALL BE DEEMED DIRECT DAMAGES AND SHALL NOT BE CONSIDERED CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT OR MULTIPLE DAMAGES.

5.4 Tax Treatment of Indemnification Payments. All payments made pursuant to this ARTICLE 5 shall be treated as adjustments to the Purchase Price for all Tax purposes, unless otherwise required by applicable Law.

5.5 Exclusive Remedy. Subject to Section 6.9, each Party acknowledges and agrees that, following the Closing, the remedies provided for in Section 4.2.4 and this ARTICLE 5 shall be the sole and exclusive remedies for claims and damages available to the Parties and their respective Affiliates arising out of or relating to this Agreement and the Transactions. Nothing herein shall limit the Liability of either Party for fraud.

5.6 Disclaimer. Buyer acknowledges and agrees that it and other Buyer Indemnitees shall have no claim or right to indemnification pursuant to this ARTICLE 5 (or otherwise) with respect to any information, documents, or materials furnished to or for Buyer by Seller or any of its Affiliates or any of their officers, directors, employees, agents or advisors, including any information, documents, or material made available to Buyer in any "data room," management presentation, or any other form in connection with the Transactions; provided that the foregoing shall not be construed to limit in any way the express representations and warranties made by Seller in Section 3.1 or Buyer's rights under this Agreement for the breach of any such representation and warranty.

ARTICLE 6
MISCELLANEOUS

6.1 Governing Law, Jurisdiction, Venue and Service.

6.1.1 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, excluding any conflicts or choice of Law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive Law of another jurisdiction.

6.1.2 Jurisdiction. Subject to Section 6.9, the Parties hereby irrevocably and unconditionally consent to the exclusive jurisdiction of the courts of the State of Delaware and the United States District Court for the District of Delaware for any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement, and agree not to commence any action, suit or proceeding (other than appeals therefrom) related thereto except in such courts. The Parties irrevocably and unconditionally waive their right to a jury trial.

6.1.3 Venue. The Parties further hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement in the courts of the State of Delaware or in

the United States District Court for the District of Delaware, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

6.1.4 Service. Each Party further agrees that service of any process, summons, notice or document by registered mail to its address set forth in Section 6.2.2 shall be effective service of process for any action, suit or proceeding brought against it under this Agreement in any such court.

6.2 Notices.

6.2.1 Notice Requirements. Any notice, request, demand, waiver, consent, approval or other communication permitted or required under this Agreement (each, a "**Notice**") shall be in writing, shall refer specifically to this Agreement and shall be deemed given only if delivered by hand or sent by facsimile transmission (with transmission confirmed) or by overnight registered mail, courier or express delivery service that maintains records of delivery, addressed to the Parties at their respective addresses specified in Section 6.2.2 or to such other address as the Party to whom notice is to be given may have provided to the other Party at least 10 days prior to such address taking effect in accordance with this Section 6.2. Such Notice shall be deemed to have been received: (a) as of the date delivered by hand or by overnight registered mail, courier or express delivery service; or (b) on the day sent by facsimile provided that the sender has received confirmation of transmission (by facsimile receipt confirmation or confirmation by telephone or email) prior to 6:00 p.m. Eastern Time on such day (and if confirmation is received after 6:00 p.m. Eastern Time, such Notice shall be deemed to have been delivered on the following Business Day). Any Notice delivered by facsimile shall be confirmed by a hard copy delivered promptly thereafter.

6.2.2 Address for Notice.

If to Seller, to:

Asuragen, Inc.
2150 Woodward St., Suite 100
Austin, Texas 78744
Facsimile: (512) 681 5201
Attention: Senior Vice President & General Counsel

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

Covington & Burling LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018-1405
Facsimile: (212) 841-1010
Attention: Jack S. Bodner
John A. Hurvitz

If to Buyer, to:

Interpace Diagnostics, LLC
Morris Corporate Center 1, Building A
300 Interpace Parkway
Parsippany, NJ 07054
Facsimile: (862) 207-7810
Attention: Chief Executive Officer

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

Pepper Hamilton LLP
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103
Facsimile: (215) 981-4750
Attention: Steven J. Abrams, Esq.

6.3 No Benefit to Third Parties. The covenants and agreements set forth in this Agreement are for the sole benefit of the Parties and their successors and permitted assigns, and, except for the rights of Buyer Indemnitees and Seller Indemnitees under ARTICLE 5, they shall not be construed as conferring any rights on any other Persons.

6.4 Waiver and Non-Exclusion of Remedies. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by any Party of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise.

6.5 Expenses. Except as otherwise specified herein or in any Ancillary Agreement, each Party shall bear any costs and expenses incurred by it with respect to the Transactions. The Parties agree that the costs and expenses associated with obtaining the consent to assignment of the Exclusive License Agreement with Ohio State University shall be borne equally by Buyer and Seller; *provided*, that any costs and expenses associated with any amendment of such Exclusive License Agreement shall be borne solely by Buyer.

6.6 Assignment. Neither this Agreement nor either Party's rights or obligations hereunder may be assigned or delegated by such Party without the prior written consent of the other Party, and any attempted assignment or delegation of this Agreement or any of such rights or obligations by either Party without the prior written consent of the other Party shall be void and of no effect; *provided* that either Party may assign or delegate any or all of its rights or obligations hereunder without the prior written consent of the other Party to an Affiliate or to a

successor, whether in a merger, sale of stock, sale of assets or other similar transaction with respect to the business to which this Agreement relates, which assignment or delegation shall not relieve the assigning Party of its obligations under this Agreement. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and permitted assigns.

6.7 Amendment. This Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by both Parties.

6.8 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, and if the rights or obligations of either Party under this Agreement will not be materially and adversely affected thereby, (a) such provision shall be fully severable; (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and reasonably acceptable to the Parties.

6.9 Equitable Relief. The Parties agree that irreparable damage would occur 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 shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. Each Party hereby waives (a) any requirement that the other Party post a bond or other security as a condition for obtaining any such relief, and (b) any defenses in any action for specific performance, including the defense that a remedy at law would be adequate.

6.10 English Language. This Agreement shall be written and executed in, and all other communications under or in connection with this Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

6.11 Bulk Sales Statutes. Buyer hereby waives compliance by Seller with any applicable bulk sales statutes in any jurisdiction in connection with the Transactions; provided that Seller shall indemnify and hold harmless Buyer from any Loss suffered by Buyer as a result of such waiver.

6.12 Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Delivery of an executed counterpart of

a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of this Agreement.

6.13 Entire Agreement. This Agreement, together with the Schedules and Exhibits expressly contemplated hereby and attached hereto, the Disclosure Schedules, the Ancillary Agreements, the Confidentiality Agreement and the other agreements, certificates and documents delivered in connection herewith or therewith or otherwise in connection with the Transactions, contain the entire agreement between the Parties with respect to the Transactions and supersede all prior agreements, understandings, promises and representations, whether written or oral, between the Parties with respect to the subject matter hereof. In the event of any inconsistency between any such Schedules and Exhibits and this Agreement, the terms of this Agreement shall govern.

[*Signature page follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

ASURAGEN, INC.

By:__
Name:
Title:

INTERPACE DIAGNOSTICS, LLC

By:__
Name:
Title:

Bill of Sale and
Assignment and Assumption Agreement

This Bill of Sale and Assignment and Assumption Agreement (this " **Agreement**") is made as of this August 13, 2014, by and between Asuragen, Inc., a Delaware corporation ("**Seller**"), and Interpace Diagnostics, LLC, a Delaware limited liability company ("**Buyer**"). Seller and Buyer are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Seller and Buyer have entered into that certain Asset Purchase Agreement, dated as of the date hereof (the "**Asset Purchase Agreement**"); and

WHEREAS, pursuant to the Asset Purchase Agreement, Seller has agreed to sell, transfer, convey, assign and deliver the Purchased Assets and transfer the Assumed Liabilities to Buyer, and Buyer has agreed to purchase and accept the Purchased Assets and assume the Assumed Liabilities from Seller.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Agreement and of the representations, warranties, conditions, agreements and promises contained in the Asset Purchase Agreement, this Agreement and the other Ancillary Agreements, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. **Definitions**. Unless otherwise specifically provided herein, capitalized terms used in this Agreement and not otherwise defined herein shall have the respective meanings ascribed thereto in the Asset Purchase Agreement.
2. **Conveyance and Acceptance**. In accordance with the provisions of the Asset Purchase Agreement, Seller hereby forever and irrevocably sells, transfers, conveys, assigns and delivers to Buyer, and its successors and assigns, all of Seller's right, title and interest in and to the Purchased Assets, and Buyer hereby purchases and accepts the Purchased Assets, in each case, free and clear of any Encumbrances other than Permitted Encumbrances.
3. **Excluded Assets**. Seller retains all of its right, title and interest in and to the Excluded Assets, and the Excluded Assets shall be excluded from the sale, transfer, conveyance, assignment and delivery to Buyer hereunder.
4. **Assumption of Assumed Liabilities**. Seller hereby assigns to Buyer the Assumed Liabilities and Buyer hereby unconditionally assumes and agrees to pay and discharge when due the Assumed Liabilities.
5. **Excluded Liabilities**. Buyer does not assume any Liabilities of Seller except for the Assumed Liabilities as expressly provided for in the Asset Purchase Agreement, and Seller retains and remains responsible for paying, performing and discharging, when due, all of the Excluded Liabilities.

6. **Further Actions**. Each of Seller and Buyer covenant and agree to execute and deliver after the date hereof any other instrument which may be requested by Buyer and which is reasonably appropriate to perfect or evidence the sale, transfer, conveyance, assignment and delivery of the Purchased Assets, hereby made, to take all steps reasonably necessary to establish the record of Buyer's title to the Purchased Assets, and to take such other action as Buyer may reasonably request to more effectively transfer and assign to and vest in Buyer each of the Purchased Assets.

7. **Asset Purchase Agreement Controls** . Notwithstanding any other provision of this Agreement to the contrary, nothing contained herein shall in any way supersede, modify, replace, amend, change, rescind, waive, exceed, expand, enlarge or in any way affect the provisions, including warranties, covenants, agreements, conditions, representations or, in general any of the rights and remedies, or any of the obligations of Buyer or Seller set forth in the Asset Purchase Agreement. This Agreement is subject to and governed entirely in accordance with the terms and conditions of the Asset Purchase Agreement. Nothing contained herein is intended to modify or supersede any of the provisions of the Asset Purchase Agreement.

8. **Miscellaneous**.

(a) **Governing Law.** This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, excluding any conflicts or choice of Law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive Law of another jurisdiction.

(b) **Amendment.** This Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by both Parties.

(c) **Waiver.** Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by any Party of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise.

(d) **Severability.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, and if the rights or obligations of either Party under this Agreement will not be materially and adversely affected thereby, (i) such provision shall be fully severable; (ii) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (iii) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (iv) in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to

such illegal, invalid or unenforceable provision as may be possible and reasonably acceptable to the Parties.

(e) **Counterparts.** This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of this Agreement.

[*Signature page follows*]

IN WITNESS WHEREOF, the Parties have each caused this Agreement to be duly executed as of the date first written above.

Asuragen, Inc.

By:
Name:
Title:

Interpace Diagnostics, LLC

By:
Name:
Title:

LICENSE AGREEMENT

By and between

Asuragen, Inc.

and

Interpace Diagnostics, LLC

Dated as of August 13, 2014

TABLE OF CONTENTS

SCHEDULES

LICENSE AGREEMENT

This License Agreement (this "**Agreement**") is made and entered into effective as of August 13, 2014 (the "**Effective Date**") by and between Asuragen, Inc., a corporation organized and existing under the laws of the State of Delaware ("**Seller**"), and Interpace Diagnostics, LLC, a Delaware limited liability company (" **Buyer**"). Seller and

Buyer are sometimes referred herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Asset Purchase Agreement, dated as of August 13, 2014 (the "**Asset Purchase Agreement**"), pursuant to which Buyer is purchasing from Seller certain assets related to the Transferred Products (as defined in the Asset Purchase Agreement);

WHEREAS, Seller and the Cancer Prevention and Research Institute of Texas (" **CPRIT**") are parties to that certain research grant agreement between CPRIT and Seller, dated June 1, 2012 ("**CPRIT Agreement**") pursuant to which CPRIT has provided certain funding assistance to Seller in order to enable Seller to carry out certain research with respect to next generation sequencing of DNA; and

WHEREAS, in connection with the Transactions (as defined in the Asset Purchase Agreement), Seller is required to grant a license to Buyer, and Buyer is required to take a license, under certain intellectual property developed by Seller pursuant to the CPRIT Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions hereinafter set forth and set forth in the Asset Purchase Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the meanings set forth in this Article 1 and capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed thereto in the Asset Purchase Agreement.

1. "**Agreement**" has the meaning set forth in the preamble hereto.
2. "**Asset Purchase Agreement**" has the meaning set forth in the recitals hereto.
3. "**Breaching Party**" has the meaning set forth in Section 7.2.
4. "**Buyer**" has the meaning set forth in the preamble hereto.
5. "**Commercial Product**" means anything that incorporates, is based on, utilizes or is developed from Project Results and is created by human or mechanical effort or by a natural process and that is capable of being sold, licensed, transferred or conveyed to another party or is capable of otherwise being Exploited or disposed of, whether in exchange for consideration or not, including without limitation any drug, chemical or biological compound, gene, nucleic acid or nucleic acid sequence, gene therapy, plant, machine, mechanical device, hardware, tool or computer program.
6. "**Commercial Services**" means any service performed that incorporates, is based on, utilizes or is developed from Project Results.
7. "**CPRIT**" has the meaning set forth in the recitals.
8. "**CPRIT Agreement**" has the meaning set forth in the recitals.
9. "**CPRIT Agreement Effective Date**" means June 1, 2012.
10. "**Effective Date**" has the meaning set forth in the preamble hereto.

11. "**Exploit**" means to make, have made, use, sell, offer to sell, import, export or otherwise dispose of, practice, copy, distribute, create derivative works of, publicly perform or publicly display.

12. "**Invoiced Sales**" has the meaning set forth in the definition of Net Sales.

13. "**Licensed Patents**" means those Patent Rights included within the Project Results that are owned by Seller or any of its Affiliates as of the Effective Date and that are set forth on Schedule 1.13.

14. "**Net Sales**" means the gross amount invoiced for Commercial Products and Commercial Services by Buyer, its Affiliates, and Sublicensees to Third Parties ("**Invoiced Sales**"), less deductions for: (a) trade, quantity or cash discounts, allowances and rebates (including, without limitation, promotional or similar allowances) actually allowed or given; (b) freight, postage, shipping, insurance and transportation expenses and similar charges (in each instance, if separately identified in such invoice); (c) credits or refunds actually allowed for rejections, defects or recalls of such Commercial Products, outdated or returned Commercial Products, or because of rebates or retroactive price reductions; (d) sales, value-added, excise taxes, tariffs and duties, and other taxes directly related to the sale, to the extent that such items are included in the gross invoice price (but not including taxes assessed against the income derived from such sale) and (e) allowances or credits to third parties for returns, including allowances for uncollectable amounts and for the difference between the dollar amount invoiced by Buyer, its Affiliates, and Sublicensees for Invoiced Sales and the amount actually collected for Invoiced Sales.

15. "**Notice**" has the meaning set forth in Section 8.4.1.

16. "**Notice Period**" has the meaning set forth in Section 7.2.

17. "**Party**" and "**Parties**" each has the meaning set forth in the preamble hereto.

18. "**Project Results**" has the meaning set forth in the CPRIT Agreement.

19. "**Seller**" has the meaning set forth in the preamble hereto.

20. "**Sublicensee**" means a Third Party that is granted a sublicense by Buyer under the grant in Section 2.1, as provided in Section 2.3.

21. "**Term**" has the meaning set forth in Section 7.1.

ARTICLE 2
GRANT OF RIGHTS

2.1 Grants to Buyer. Subject to Sections 2.2 and 2.5, Seller (on behalf of itself and its Affiliates), hereby grants to Buyer and its Affiliates an exclusive (even as to Seller and its Affiliates), non-transferable (except as provided in Section 8.8), perpetual (except as provided in Section 7.4), royalty-bearing license, with the right to grant sublicenses in accordance with Section 2.3, under the Project Results to Exploit Commercial Products as diagnostic devices and perform Commercial Services with respect thereto, in each case, directed solely to thyroid cancer.

2.2 Retention of Rights. Notwithstanding anything to the contrary in this Agreement, Seller retains, on behalf of itself and its Affiliates all right, title and interest in and to the Project Results, in each case, (a) as may be necessary or useful to perform its obligations under the Transition Services Agreement, (b) for purposes of publications or presentations, but, for clarity, not to Exploit any Transferred Product; (c) to provide services in the ordinary course of business other than in relation to the performance of diagnostic services directed

to thyroid cancer in a laboratory certified under CLIA; and (d) to provide services in connection with any Contract included in the Excluded Assets. Without limiting the foregoing, Buyer acknowledges and agrees that under the CPRIT Agreement Seller has granted CPRIT a non-exclusive, irrevocable, perpetual, royalty-free, worldwide license under the Institute-Funded IPR (as defined in the CPRIT Agreement) to Exploit all Project Results (including material embodiments thereof) for or on behalf of CPRIT and other governmental entities and agencies of the State of Texas for education, research and other non-commercial purposes only. Except as expressly granted herein or in the Asset Purchase Agreement or any other Ancillary Agreement, Seller grants no other right or license to any assets or rights, including intellectual property rights, of Seller and its Affiliates.

2.3 Sublicenses. Subject to Section 2.5, Buyer shall have the right to grant sublicenses under the license granted in Section 2.1 through multiple tiers of Sublicensees; *provided* that Buyer shall (a) remain jointly and severally liable for the performance or non-performance of any such Sublicensee, and (b) provide to Seller a written notice setting forth in reasonable detail the nature of such sublicense and the identity of the Sublicensee, which written notice shall include a copy of any such sublicense agreement; *provided* that the financial terms of any such sublicense agreement may be redacted to the extent not pertinent to an understanding of either Party's obligations or benefits under this Agreement. Buyer hereby guarantees the performance of its Affiliates and permitted Sublicensees and the grant of any such sublicense shall not relieve Buyer of its obligations under this Agreement, except to the extent such obligations are performed by such Sublicensee. A copy of any sublicense agreement executed by Buyer pursuant to this Section 2.3 (with financial terms redacted) shall be provided to Seller within 14 days after its execution by the parties thereto.

2.4 No Implied Rights. For the avoidance of doubt, Buyer and its Affiliates, licensees, Sublicensees and distributors shall have no right, express or implied, with respect to the Project Results, except as expressly provided in Section 2.1, or any other intellectual property rights of Seller or any of its Affiliates.

2.5 Acknowledgement Relating to CPRIT Agreement . Buyer acknowledges and agrees that (a) this Agreement is subject to CPRIT's licenses, interests and other rights under the CPRIT Agreement and (b) to the extent that there is a conflict between the terms of this Agreement and the terms of the CPRIT Agreement, the terms of the CPRIT Agreement shall prevail.

ARTICLE 3
PAYMENT AND RECORDS

3.1 Royalty.

1. Buyer shall pay directly to CPRIT a royalty at the rate of 5% of Net Sales of the Commercial Products and the Commercial Services by Buyer, its Affiliates and Sublicensees; provided that (a) Buyer may reduce the royalty payable to CPRIT under this Section 3.1.1 on a dollar-for-dollar basis for each dollar that Buyer pays to a Third Party as royalties on the sale of Commercial Products or Commercials Services down to a floor of 1.5% of Net Sales and (b) royalties payable to CPRIT under this Section 3.1.1 shall be automatically and at the same time be reduced in the same proportion as there is any royalty reduction under Section D4.01 of the CPRIT Agreement.

2. Seller shall promptly inform Buyer of any adjustment in the royalty rates payable to CPRIT under the CPRIT Agreement.

3.2 Royalty Payments. All royalty payments owed by Buyer to CPRIT pursuant to Section 3.1 shall be made to CPRIT, and are payable on or before the 30th day following the end of the calendar quarter with respect to which such royalties relate.

3.3 Reporting Requirements. Each payment of royalties due to CPRIT pursuant to this ARTICLE 3 shall be accompanied by a statement specifying: (a) that the payment relates to grant number CP120017 under the CPRIT Agreement; (b) the fact that such payments relate to this Agreement; (c) the quantity of all sales of the Commercial Products and the Commercial Services by Buyer, its Affiliates and Sublicensees since the last payment; (d) the amount of Net Sales of the Commercial Products and the Commercial Services with respect to such sales identified in clause (c) above during the relevant period; and (d) a calculation of the amount of royalty due to CPRIT. In addition to the foregoing, Buyer shall provide to CPRIT, within 60 days of each anniversary of the CPRIT Agreement Effective Date, all information relating to the commercialization of the Commercial Products and the Commercial Services by or on behalf of Buyer, its Affiliates and Sublicensees substantially in the form of Exhibit A.

3.4 Records; Audits.

3.4.1 Buyer shall keep complete and accurate sales and commercialization-related records with respect to its or its Affiliates' or Sublicensees' sales of Commercial Products and performance of Commercial Services until the fourth anniversary of the date of the payment of the last royalty payment owed to CPRIT under this Agreement, in sufficient detail to permit CPRIT and Seller to confirm the accuracy of the statements delivered to CPRIT under Section 3.3 and the calculation of the royalties owed to CPRIT under this Agreement.

3.4.2 Upon at least 15 days' advance written notice, Buyer shall permit CPRIT or Seller or its or their representatives or agents, at CPRIT's or Seller's expense, as applicable, to examine Buyer's records pursuant to Section 3.4.1 during regular business hours for the purpose of and to the extent necessary to verify Buyer's compliance with this ARTICLE 3. The rights of CPRIT and Seller under this Section 3.4.2 shall terminate on the fourth anniversary of the date of the payment of the last royalty payment owed to CPRIT under this Agreement. In the event that any such examination reveals an underpayment to CPRIT of greater than 5% of the amounts previously paid by Buyer to CPRIT, then Buyer shall reimburse CPRIT or Seller, as applicable, for the cost of such examination.

ARTICLE 4
LICENSED PATENTS

As between the Parties, (a) Seller shall have the sole and exclusive right, but not the obligation, to prosecute, maintain, and defend the Licensed Patents, at its sole cost and expense and (b) Seller shall have the first right, but not the obligation, to enforce the Licensed Patents, at its sole cost and expense and with the sole right to retain any recoveries with respect thereto; provided, that without limiting Seller's rights under this clause (b), Seller shall consult with Buyer with respect to any enforcement of the Licensed Patents in the field of the diagnosis of thyroid cancer or pancreatic cancer and provided, further, that if Seller does not take commercially reasonably steps to enforce any of the Licensed Patents against an alleged infringer in the field of the diagnosis of thyroid cancer or pancreatic cancer and Buyer wishes to enforce any such Licensed Patent in the field of the diagnosis of thyroid cancer or pancreatic cancer, then Buyer shall so notify Seller and upon Seller's written consent (such consent not to be unreasonably withheld), Buyer may enforce such Licensed Patent in such field at its sole cost and expense and Seller shall, at Buyer's costs and expense, join such action as a party plaintiff if necessary to sustain jurisdiction or standing.

5 CONFIDENTIALITY AND NON-DISCLOSURE

The rights and obligations of the Parties with respect to Confidential Information hereunder shall be governed by the terms of Section 4.4 of the Asset Purchase Agreement.

6 DISCLAIMER OF WARRANTIES

BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN SECTION 3.1 OF THE ASSET PURCHASE AGREEMENT, SELLER HAS MADE NO REPRESENTATION OR WARRANTY WHATSOEVER AND BUYER HAS NOT RELIED ON ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED RELATED TO THE Project Results OR THE TRANSACTIONS CONTEMPLATED HEREBY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY PROVIDED IN SECTION 3.1 OF THE ASSET PURCHASE AGREEMENT, BUYER IS LICENSING THE RIGHTS HEREUNDER ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY EXPRESS OR IMPLIED WARRANTIES, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, INCLUDING ANY WARRANTY OF QUALITY, THE FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, CONDITION OF THE ASSETS, AS TO THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF ANY PERSON OR AS TO ANY OTHER MATTER.

ARTICLE 7
TERM AND TERMINATION

7.1 Term. The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect until terminated in accordance with this ARTICLE 7 (such period, the "**Term**").

7.2 Termination for Material Breach. In the event that either Party (the "**Breaching Party**") breaches any of its material obligations under this Agreement, the other Party may terminate this Agreement upon 30 days' prior written notice (such 30-day period, the "**Notice Period**") to the Breaching Party, specifying the breach and its claim of right to terminate; *provided*, that the termination of this Agreement shall not become effective at the end of the Notice Period if the Breaching Party cures such breach during the Notice Period. With respect to a breach of any of Buyer's material obligations under this Agreement that would permit Seller to terminate this Agreement pursuant to this Section 7.2, CPRIT shall have the right to enforce this provision directly and terminate this Agreement pursuant to the terms of this Section 7.2.

7.3 Mutual Agreement. This Agreement may be terminated upon the mutual written agreement of Buyer and Seller at any time.

7.4 Consequences of Termination.

7.4.1 Termination of Agreement. Upon the termination of this Agreement pursuant to Section 7.2 or 7.3, all of the licenses granted by Seller to Buyer under ARTICLE 2, and any sublicenses related thereto entered into by Buyer as permitted hereunder, shall terminate in their entirety.

7.4.2 Accrued Rights. The termination of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination. Such termination shall not relieve a Party from obligations that are expressly indicated to survive the termination of this Agreement.

7.4.3 Survival. Without limiting the foregoing, Sections 2.2, 2.4, 2.5, 3.4, this Section 7.4 and ARTICLE 5, ARTICLE 6, and ARTICLE 8 shall survive the termination of this Agreement for any reason.

ARTICLE 8
MISCELLANEOUS

8.1 Notice of Certain CPRIT Matters. Seller shall promptly provide Buyer with all copies in respect of matters under Part 5 of Attachment D to the CPRIT Agreement and any and all communications concerning allegations that Seller has or remains in breach of the CPRIT Agreement and any responses thereto. If Seller is required to transfer or exclusively license to CPRIT its rights in and to any of the Project Results pursuant to the terms of the CPRIT Agreement, then Seller shall cause CPRIT to grant Buyer a direct, exclusive (even as to CPRIT), royalty-bearing license, with the right to grant sublicenses through multiple tiers, under the applicable Project Results to exploit Commercial Products as diagnostic devices and perform Commercial Services with respect thereto, in each case, directed solely to thyroid cancer on the same financial terms as are set forth in the CPRIT Agreement.

8.2 Governing Law. This Agreement shall be construed and all disputes shall be considered in accordance with the laws of the State of Texas, without regard to its principles governing the conflict of laws.

8.3 CPRIT Dispute Resolution. Except as expressly set forth herein and subject to Section 8.12, any Dispute arising hereunder between CPRIT and Buyer shall be resolved in accordance with the procedures set forth in Sections 9.16 and 9.17 of the CPRIT Agreement.

8.4 Notices.

8.4.1 Notice Requirements. Any notice, request, demand, waiver, consent, approval or other communication permitted or required under this Agreement (each, a "**Notice**") shall be in writing, shall refer specifically to this Agreement and shall be deemed given only if delivered by hand or sent by facsimile transmission (with transmission confirmed) or by internationally recognized overnight delivery service that maintains records of delivery, addressed to the Parties at their respective addresses specified in Section 8.4.2 or to such other address as the Party to whom notice is to be given may have provided to the other Party at least 10 days' prior to such address taking effect in accordance with this Section 8.4. Such Notice shall be deemed to have been given as of the date delivered by hand or internationally recognized overnight delivery service or confirmed that it was received by facsimile (with receipt confirmed by telephone or email). Any Notice delivered by facsimile shall be confirmed by a hard copy delivered as soon as practicable thereafter.

8.4.2 Address for Notice.

If to Seller, to:

Asuragen, Inc.
2150 Woodward St., Suite 100
Austin, Texas 78744
Facsimile: (512) 681-5201

Attention: Senior Vice President & General Counsel

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

Covington & Burling LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018-1405
Facsimile: (212) 841-1010
Attention: Jack S. Bodner
John A. Hurvitz

If to Buyer, to:

Interpace Diagnostics LLC
Morris Corporate Center 1, Building A
300 Interpace Parkway
Parsippany, NJ 07054
Fax: 862-207-7810

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

Pepper Hamilton LLP
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103
Attention: Steven J. Abrams
Fax: 215-981-4750

8.5 No Benefit to Third Parties.

8.5.1 This Agreement is intended, and shall be construed, to confer rights and remedies on CPRIT as a third party beneficiary with respect to all rights and remedies afforded to CPRIT hereunder. CPRIT shall have the right to enforce any and all such rights and remedies directly.

8.5.2 Except as set forth in Section 8.5.1 with respect to CPRIT, the covenants and agreements set forth in this Agreement are for the sole benefit of the Parties and their successors and permitted assigns, and they shall not be construed as conferring any rights on any other Persons.

8.6 Waiver and Non-Exclusion of Remedies. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by any Party of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed

a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise. The rights and remedies provided herein are cumulative and do not exclude any other right or remedy provided by applicable law or otherwise available except as expressly set forth herein.

8.7 Expenses. Except as otherwise specified herein or in the Asset Purchase Agreement or in any other Ancillary Agreement, each Party shall bear any costs and expenses incurred by it with respect to the transactions contemplated herein.

8.8 Assignment. Neither this Agreement nor either Party's rights or obligations hereunder may be assigned or delegated by such Party without the prior written consent of the other Party, and any attempted assignment or delegation of this Agreement or any of such rights or obligations by either Party without the prior written consent of the other Party shall be void and of no effect; provided, that either Party may assign or delegate any or all of its rights or obligations hereunder to an Affiliate or to a successor, whether in a merger, sale of stock, sale of assets or other similar transaction with respect to the business to which this Agreement relates without the prior written consent of the other Party. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and permitted assigns.

8.9 Amendment. This Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by both Parties.

8.10 Independent Contractors. In the exercise of their respective rights, and the performance of their respective obligations, under this Agreement, the Parties are, and shall remain, independent contractors. Nothing in this Agreement shall be construed to constitute the Parties as partners, joint venturers, or participants in a joint enterprise or undertaking, or to constitute either of the Parties as the agent of the other Party for any purpose whatsoever. Neither Party shall bind, or attempt to bind, the other Party to any contract or the performance of any other obligation, or represent to any Third Party that it is authorized to enter into any contract or binding obligation on behalf of the other Party.

8.11 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of either Party under this Agreement will not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and reasonably acceptable to the Parties.

8.12 Equitable Relief. The Parties agree that irreparable damage would occur 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 shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. Each Party hereby waives (a) any requirement that the other Party post a bond or other security as a condition for obtaining any such relief, and (b) any defenses in any action for specific performance, including the defense that a remedy at law would be adequate.

8.13 English Language. This Agreement shall be written and executed in, and all other communications under or in connection with this Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

8.14 Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of this Agreement.

8.15 Entire Agreement. This Agreement, together with the Schedules and Exhibits expressly contemplated hereby and attached hereto, the Asset Purchase Agreement and the other Ancillary Agreements, contain the entire agreement between the Parties with respect to the transactions contemplated hereby and supersede all prior agreements, understandings, promises and representations, whether written or oral, between the Parties with respect to the subject matter hereof. In the event of any inconsistency between any such Schedules and Exhibits and this Agreement, the terms of this Agreement shall govern.

8.16 Construction. Except where the context otherwise requires, wherever used, the singular includes the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word “or” is used in the inclusive sense (and/or). The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The term “including” as used herein does not limit the generality of any description preceding such term. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party. Unless otherwise specified or where the context otherwise requires, (a) references in this Agreement to any Article, Section, Schedule or Exhibit are references to such Article, Section, Schedule or Exhibit of this Agreement; (b) references in any Section to any clause are references to such clause of such Section; (c) “hereof,” “hereto,” “hereby,” “herein” and “hereunder” and words of similar import when used in this Agreement refer

to this Agreement as a whole and not to any particular provision of this Agreement; (d) references to a Person are also to its permitted successors and assigns; (e) references to a law include any amendment or modification to such law and any rules or regulations issued thereunder, in each case, as in effect at the relevant time of reference thereto; (f) references to any agreement, instrument or other document in this Agreement refer to such agreement, instrument or other document as originally executed or, if subsequently amended, replaced or supplemented from time to time, as so amended, replaced or supplemented and in effect at the relevant time of reference thereto; and (g) references to monetary amounts are denominated in United States Dollars.

[*Signature page follows****]***

[Signature Page to CPRIT License Agreement **]**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

Asuragen, Inc. **Interpace Diagnostics, LLC**

By:_____ By:

Name: _____ Name: _____

Title: _____ Title: _____

Schedule 1.13

Licensed Patents

Asuragen Ref.	App. No. Patent No.	Filing Date Issue Date	Title	Country
10256.6011-00000	62/003,450 NA	05/27/2014 NA	**Compositions, Methods, and uses related to NTRK2-TERT Fusions**	**US Provisional**

Exhibit A

Form of Annual Commercialization Report

Licensee_____

Period_____

1. Product and Services Commercialization (complete for each product and service/reporting period)
    a. Date of first sale
    b. Reporting period (from and to)
    c. Total number of tests reported in the period
    d. Total amount billed
    e. Total reimbursement
    f. Total CPRIT royalty due
2. Commercialization Plan: Address the following items:
    a. Describe commercialization efforts in the current period and/or planned for future periods to market and expand adoption of the test. Please indicate any change in sales force, territories, or other new initiatives undertaken or planned.
    b. Describe any changes in competition, medical practice, or reimbursement that have affected or may affect the market for the test.
    c. Describe any operational issues that may affect the performance or marketing of the test.

GUARANTY

of

PDI, INC.

This Guaranty, dated as of August 13, 2014 (this "***Guaranty***"), is made by PDI, Inc., a Delaware corporation ("***Guarantor***"), in favor of Asuragen, Inc., a Delaware corporation ("***Asuragen***"). Capitalized terms not defined in this Guaranty shall have the meanings given to them in the Asset Purchase Agreement.

1. Guaranty. Guarantor hereby irrevocably (a) guarantees, as primary obligor and not merely as surety, the full and prompt payment of any and all monetary obligations and damages and the due and prompt performance of all covenants, agreements, obligations and liabilities for which Interpace Diagnostics, LLC ("***Interpace***"), a wholly-owned subsidiary of Guarantor, is or becomes liable to Asuragen, under or in connection with a certain Asset Purchase Agreement, dated August 13, 2014 (the "***Asset Purchase Agreement***") and the Ancillary Agreements by and between Interpace and Asuragen (collectively, the "***Obligations***") and (b) agrees to pay any and all reasonable expenses (including reasonable legal expenses and reasonable attorneys' fees) incurred by Asuragen in successfully enforcing any rights under this Guaranty.

2. Unconditional Guaranty. Subject to Section 4 of this Guaranty, the obligation of Guarantor under this Guaranty shall be primary, direct, immediate, unconditional and absolute and, without limiting the generality of the foregoing, shall in no way be released, discharged or otherwise affected by:

a. any extension of time for the payment of the Obligations, modification or amendment of the terms of the Asset Purchase Agreement or any Ancillary Agreement or any forebearance as to time or performance or failure by Asuragen to proceed promptly with respect to the Obligations or this Guaranty; or

b. any change in the corporate existence, structure or ownership of Interpace or Guarantor, or any insolvency, bankruptcy, reorganization, dissolution, liquidation, arrangement, assignment for the benefit of creditors or other similar proceeding against Interpace or its assets or any resulting release or discharge of any of the Obligations.

3. Waiver. Guarantor hereby unconditionally and irrevocably waives:

a. diligence, presentment, demand for payment or performance, protest and notice of nonpayment or dishonor and all other notices and demands whatsoever relating to the Obligations or the requirement that Asuragen proceed first against Guarantor's Affiliates, or any other Person to collect payment or enforce performance of the Obligations or otherwise exhaust any right, power or remedy under the Asset Purchase Agreement, any Ancillary Agreement or any other agreement giving rise to any such Obligations to collect payment or enforce performance of the Obligations before proceeding hereunder; and

b. all suretyship defenses including all defenses based upon any statute or rule of law that provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal.

4. Interpace Rights and Defenses. Notwithstanding anything to the contrary in Section 2 of this Guaranty, Guarantor may assert against Asuragen any rights and defenses to the Obligations that Interpace would be entitled to assert against Asuragen in any action brought by Asuragen against Interpace in respect of the Obligations.

5. Action Against Guarantor. In the event of a default by Interpace under the Asset Purchase Agreement or any Ancillary Agreement, Asuragen shall have the right to proceed immediately thereafter against Guarantor for payment or performance, as applicable, of the Obligations without being required to make any demand upon, bring any proceeding, exhaust any remedies against or take any other action of any kind against Interpace. Guarantor hereby waives notice of acceptance of this Guaranty, presentment, demand of payment, protest and notice and any right or claim of right to cause a marshaling of the assets of Interpace.

6. Subrogation. Guarantor shall not exercise any rights against Asuragen or its Affiliates or Interpace which Guarantor may acquire by way of subrogation, reimbursement, exoneration, contribution, indemnity, applicable law or otherwise, by any payment made under this Guaranty until all of the Obligations shall have been paid in full and until the earlier of one (1) year after payment in full or the period during which any payment by Interpace or Guarantor is or may be subject to avoidance or refund under any applicable bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or other law relating to the relief of debtors of any jurisdiction shall have expired.

7. Representations and Warranties. Guarantor represents and warrants to Asuragen that:

a. Guarantor is a corporation duly incorporated, validly existing and in good standing under the laws of Delaware, has all corporate powers and all material governmental licenses, authorizations, consents and approvals to carry on its business as now conducted;

b. the execution, delivery and performance by Guarantor of this Guaranty and the transactions contemplated by this Guaranty are within its corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a material default under, any provision of applicable law or regulation or of its organization and other constitutive documents or of any material agreement, judgment, injunction, order, decree or other instrument binding upon it or result in the creation or imposition of any lien or other encumbrance on any of its assets;

c. the execution and delivery of the Asset Purchase Agreement and the Ancillary Agreements is, and the consummation of the Transactions will be, of direct interest, benefit and advantage to Guarantor; and

d. this Guaranty constitutes a valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms.

8. Reinstatement of Guarantor's Obligations. If at any time any payment of any of the Obligations is rescinded or is otherwise required by applicable law to be returned by Asuragen upon the insolvency, bankruptcy, reorganization, dissolution, liquidation, arrangement, assignment for the benefit of creditors or other similar proceeding of Interpace, or otherwise, then Guarantor's obligations under this Guaranty with respect to such payment shall be reinstated as though such payment had been due but not been made.

9. Notices. Any notice, request, demand, waiver, consent, approval or other communication permitted or required under this Guaranty (each, a "***Notice***") shall be in writing, shall refer specifically to this Guaranty and shall be deemed given only if delivered by hand or sent by facsimile transmission (with transmission confirmed) or by overnight registered mail, courier or express delivery service that maintains

records of delivery, addressed to the parties at their respective addresses specified below or to such other address as the party to whom notice is to be given may have provided to the other party at least 10 days prior to such address taking effect in accordance with this Section 8. Such Notice shall be deemed to have been received: (a) as of the date delivered by hand or by overnight registered mail, courier or express delivery service; or (b) on the day sent by facsimile provided that the sender has received confirmation of transmission (by facsimile receipt confirmation or confirmation by telephone or email) prior to 6:00 p.m. Eastern Time on such day (and if confirmation is received after 6:00 p.m. Eastern Time, such Notice shall be deemed to have been delivered on the following business day). Any Notice delivered by facsimile shall be confirmed by a hard copy delivered promptly thereafter.

Address for Notice.

If to Asuragen, Inc., to:

Asuragen, Inc.
2510 Woodward St., Suite 100
Austin, Texas 78744
Facsimile: (512) 681-5201
Attention: Senior Vice President & General Counsel

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

Covington & Burling LLP
1201 Pennsylvania Avenue, N.W.
Washington, DC 20004
Facsimile: (212) 841-1010
Attention: Jack S. Bodner and John A. Hurvitz

If to PDI, Inc., to:

PDI, Inc.
Morris Corporate Center 1, Building A
300 Interpace Parkway
Parsippany, NJ 07054
Facsimile: (862) 207-7810
Attention: Chief Executive Officer

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

Pepper Hamilton LLP
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103
Facsimile: (215) 981-4750
Attention: Steven J. Abrams, Esq.

10. Remedy. Guarantor acknowledges and agrees that the rights of Asuragen under this Guaranty are of a specialized and unique character and that immediate and irreparable damage will result

to Asuragen if Guarantor fails to or refuses to perform its obligations under this Guaranty and, notwithstanding any election by Asuragen to claim damages from Guarantor as a result of any such failure or refusal, Asuragen is, in addition to any other remedies and damages available, entitled to injunctive or other equitable relief (including specific performance) in a court of competent jurisdiction to restrain any such failure or refusal, and Guarantor hereby waives any requirement for Asuragen to post any bond or other security. No single exercise of the foregoing remedy shall be deemed to exhaust Asuragen's right to such remedy, but the right to such remedy shall continue undiminished and may be exercised from time to time as often as Asuragen may elect.

11. Severability. If any court holds that any provisions of this Guaranty as applied to any part or to any circumstances is invalid or unenforceable, such holding shall in no way affect any other provision of this Guaranty, the application of such provision in any other circumstances or jurisdictions or the validity or enforceability of this Guaranty. Asuragen and Guarantor intend this Guaranty to be enforced as written. If any provision, or part thereof, however, is held to be unenforceable because of the scope or duration thereof or the area covered thereby, Asuragen and Guarantor agree that the court making such determination shall have the power to reduce the scope, duration and/or area of such provision, and/or to delete specific words or phrases and in its reduced form such provision shall then be enforceable.

12. No Benefit to Third Parties. The covenants and agreements set forth in this Guaranty are for the sole benefit of the Asuragen and Guarantor and their respective successors and permitted assigns, and they shall not be construed as conferring any rights on any other persons.

13. Amendment. This Guaranty may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by both parties.

14. Waiver. Any term or condition of this Guaranty may be waived at any time by the party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the party waiving such term or condition.

15. Construction. Except where the context otherwise requires, wherever used, the singular includes the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word "or" is used in the inclusive sense (and/or). The captions of this Guaranty are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Guaranty or the intent of any provision contained in this Guaranty. The term "including" as used herein does not limit the generality of any description preceding such term. The language of this Guaranty shall be deemed to be the language mutually chosen by the parties and no rule of strict construction shall be applied against either party. Unless otherwise specified or where the context otherwise requires, (a) references in this Guaranty to any Section are references to such Section of this Guaranty; (b) references in any Section to any clause are references to such clause of such Section; (c) "hereof," "hereto," "hereby," "herein" and "hereunder" and words of similar import when used in this Guaranty refer to this Guaranty as a whole and not to any particular provision of this Guaranty; (d) references to a person are also to its permitted successors and assigns; (e) references to a law include any amendment or modification to such law and any rules or regulations issued thereunder, in each case, as in effect at the relevant time of reference thereto; and (f) references to any agreement, instrument or other document in this Guaranty refer to such agreement, instrument or other document as originally executed or, if subsequently amended, replaced or supplemented from time to time, as so amended, replaced or supplemented and in effect at the relevant time of reference thereto.

16. Governing Law. This Guaranty shall be governed by and construed in accordance with the Laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Guaranty to the substantive law of another jurisdiction.

17. Entire Agreement. This Guaranty is a final expression of Guarantor's agreement to guarantee the Obligations and is a complete and exclusive statement of the terms of such agreement, superseding all other agreements, discussions or understandings with respect to Guarantor's guarantee of the Obligations.

18. Unsecured and Unsubordinated Obligations. This Guaranty is unsecured and ranks pari passu with all other unsecured and unsubordinated obligations of Guarantor.

[signature page follows]

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed this 13th day of August, 2014.

PDI, INC.

By:
Name: _____
Title: _____

LICENSE AGREEMENT

by and between

Asuragen, Inc.

and

Interpace Diagnostics, LLC

Dated as of August 13, 2014

TABLE OF CONTENTS

SCHEDULES

LICENSE AGREEMENT

This License Agreement (this "**Agreement**") is made and entered into effective as of August 13, 2014 (the "**Effective Date**") by and between Asuragen, Inc., a corporation organized and existing under the laws of the State of Delaware ("**Seller**"), and Interpace Diagnostics, LLC, a Delaware limited liability company (" **Buyer**"). Seller and Buyer are sometimes referred herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Asset Purchase Agreement, dated as of August 13, 2014 (the "**Asset Purchase Agreement**"), pursuant to which Buyer is

purchasing from Seller certain assets related to the Transferred Products (as defined in the Asset Purchase Agreement); and

WHEREAS, in connection with the Transactions (as defined in the Asset Purchase Agreement), Seller is required to grant a license to Buyer, and Buyer is required to take a license, under certain intellectual property owned by Seller.

NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions hereinafter set forth and set forth in the Asset Purchase Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the meanings set forth in this Article 1 and capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed thereto in the Asset Purchase Agreement.

1.1 "**Agreement**" has the meaning set forth in the preamble hereto.

1.2 "**ASRs**" means Analyte Specific Reagents as defined in 21 C.F.R. §864.4020 that are regulated by the FDA and manufactured in accordance with the FDA's good manufacturing practices and quality system regulations.

1.3 "**Asset Purchase Agreement**" has the meaning set forth in the recitals hereto.

1.4 "**Buyer**" has the meaning set forth in the preamble hereto.

1.5 "**Effective Date**" has the meaning set forth in the preamble hereto.

1.6 "**Licensed Know-How**" means the Licensed Pancreas microRNA Classifier Know-How, the Licensed Thyroid microRNA Classifier Know-How and the Licensed Thyroid Test Know-How.

1.7 "**Licensed microRNA Classifier Patents**" means those Patents that are owned by Seller as of the Effective Date that are set forth on Schedule 1.7.

1.8 "**Licensed mir-21 Patents**" means those Patents that are owned by Seller as of the Effective Date that are set forth on Schedule 1.8.

1.9 "**Licensed Pancreas microRNA Classifier Know-How**" means the protocols, data and data packages that are owned by Seller as of the Effective Date that are set forth on Schedule 1.9.

1.10 "**Licensed Patents**" means the Licensed microRNA Classifier Patents and the Licensed mir-21 Patents.

1.11 "**Licensed Thyroid microRNA Classifier Know-How**" means the protocols, data and data packages that are owned by Seller as of the Effective Date that are set forth on Schedule 1.11.

1.12 "**Licensed Thyroid Test Know-How**" means the protocols, data and data packages that are owned by Seller as of the Effective Date that are set forth on Schedule 1.12.

1.13 "**Notice**" has the meaning set forth in Section 7.2.1.

1.14 "**Party**" and "**Parties**" each has the meaning set forth in the preamble hereto.

1.15 "**Reagents**" means (a) reagents that are awaiting FDA review for clearance or approval pursuant to a valid and pending 510(k) or PMA application or are the subject of an FDA approved Investigational Device Exemption ("**IDE**") application, in each case that has been submitted to the FDA in accordance with the FFDCA, or (b) reagents that are the subject of preclinical studies undertaken for the sole purpose of generating data in support an IDE or PMA application intended to be made for such reagent that are conducted internally or with or by a Third Party investigator under sponsored and supposed contract research agreements under which such reagents are provided without monetary consideration and that are manufactured in accordance the FDA's good manufacturing practices or quality system regulations.

1.16 "**Seller**" has the meaning set forth in the preamble hereto.

1.17 "**Sublicensee**" means a Third Party that is granted a sublicense by Buyer under the grant in Section 2.1, as provided in Section 2.3.

1.18 "**Term**" has the meaning set forth in Section 6.1.

ARTICLE 2
GRANT OF RIGHTS

2.1 Grants to Buyer. Seller (on behalf of itself and its Affiliates), in consideration of the amounts due under the Asset Purchase Agreement, hereby grants to Buyer and its Affiliates:

2.1.1 an exclusive (even as to Seller and its Affiliates), worldwide, non-transferable (except as provided in Section 7.6), perpetual (except as provided in ARTICLE 6), irrevocable (except as provided in ARTICLE 6), royalty-free (except for the royalties payable under the Asset Purchase Agreement) license, with the right to grant sublicenses in accordance with Section 2.3, under the Licensed microRNA Classifier Patents to Exploit the Thyroid 5 microRNA Classifier, the Thyroid 10 microRNA Classifier and the Pancreas microRNA Test and for the purpose of diagnosing thyroid cancer or pancreatic cancer, as applicable;

2.1.2 an exclusive (even as to Seller and its Affiliates), worldwide, non-transferable (except as provided in Section 7.6), perpetual (except as provided in ARTICLE 6), irrevocable (except as provided in ARTICLE 6), royalty-free

(except for the royalties payable under the Asset Purchase Agreement) license, with the right to grant sublicenses in accordance with Section 2.3, under the Licensed mir-21 Patents to Exploit ASRs and Reagents, for the purpose of diagnosing thyroid cancer or pancreatic cancer;

2.1.3 a worldwide, non-transferable (except as provided in Section 7.6), perpetual (except as provided in ARTICLE 6), irrevocable (except as provided in ARTICLE 6), royalty-free (except for the royalties payable under the Asset Purchase Agreement) license, with the right to grant sublicenses in accordance with Section 2.3, under the Licensed Thyroid Test Know-How, which license shall be (a) exclusive (even as to Seller and its Affiliates) to Exploit the Thyroid Test Version One, Thyroid Test Version Two or Thyroid Test Version Three and (b) subject to clause (a), non-exclusive for the purpose of diagnosing thyroid cancer;

2.1.4 a worldwide, non-transferable (except as provided in Section 7.6), perpetual (except as provided in ARTICLE 6), irrevocable (except as provided in ARTICLE 6), royalty-free (except for the royalties payable under the Asset Purchase Agreement) license, with the right to grant sublicenses in accordance with Section 2.3, under the Licensed Thyroid microRNA Know-How, which license shall be (a) exclusive (even as to Seller and its Affiliates) to Exploit the Thyroid 5 microRNA Classifier or the Thyroid 10 microRNA Classifier and (b) subject to clause (a), non-exclusive for the purpose of diagnosing thyroid cancer; and

2.1.5 a worldwide, non-transferable (except as provided in Section 7.6), perpetual (except as provided in ARTICLE 6), irrevocable (except as provided in ARTICLE 6), royalty-free (except for the royalties payable under the Asset Purchase Agreement) license, with the right to grant sublicenses in accordance with Section 2.3, under the Licensed Pancreas microRNA Know-How, which license shall be (a) exclusive (even as to Seller and its Affiliates) to Exploit the Pancreas microRNA Test and (b) subject to clause (a), non-exclusive for the purpose of diagnosis pancreatic cancer.

All rights granted to Buyer under this Section 2.1 shall be subject and subordinate to the rights of any Third Party in any Licensed Patents or Licensed Know-How as of the Effective Date pursuant to any agreement set forth on Schedule 2.1 and shall be effective solely to the extent consistent with such Third Party's rights. Nothing in this Agreement shall be construed as granting to the Buyer any rights that are broader than Seller's existing rights with respect to the Licensed Patents and Licensed Know-How as of the Effective Date.

2.2 Retention of Rights. Notwithstanding anything to the contrary in this Agreement, Seller retains, on behalf of itself and its Affiliates, (sub)licensees, licensors and distributors, all right, title and interest in and to the Licensed Know-How and Licensed Patents, in each case, as may be necessary or useful to: (a) perform its obligations under the Transition Services Agreement; (b) for purposes of publications or presentations, but, for clarity, not to Exploit any Transferred Product; (c) to provide services in the ordinary course of business other than in relation to the performance of diagnostic services directed to thyroid cancer

or pancreatic cancer in a laboratory certified under CLIA; and (d) to provide services in connection with any Contract included in the Excluded Assets. Except as expressly granted herein or in the Asset Purchase Agreement with respect to the Licensed Patents and the Licensed Know-How, Seller grants no other right or license to any assets or rights, including intellectual property rights, of Seller and its Affiliates and its and their assigns and successors.

2.3 Sublicenses. Buyer shall have the right to grant sublicenses under the licenses granted in Section 2.1 through multiple tiers of Sublicensees; *provided* that Buyer shall (a) remain jointly and severally liable for the performance or non-performance of any such Sublicensee, and (b) provide to Seller a written notice setting forth in reasonable detail the nature of such sublicense and the identity of the Sublicensee, which written notice shall include a copy of any such sublicense agreement; *provided* that the financial terms of any such sublicense agreement may be redacted to the extent not pertinent to an understanding of either Party's obligations or benefits under this Agreement. Buyer hereby guarantees the performance of its Affiliates and permitted Sublicensees and the grant of any such sublicense shall not relieve Buyer of its obligations under this Agreement. A copy of any sublicense agreement executed by Buyer pursuant to this Section 2.2 (with financial terms redacted) shall be provided to Seller within 14 days after its execution by the parties thereto.

2.4 No Implied Rights. For the avoidance of doubt, Buyer and its Affiliates, licensees, Sublicensees and distributors shall have no right, express or implied, with respect to the Licensed Patents and the Licensed Know-How, except as expressly provided in Section 2.1 and elsewhere in this Agreement.

ARTICLE 3
LICENSED PATENTS

As between the Parties, (a) Seller shall have the sole and exclusive right, but not the obligation, to prosecute, maintain, and defend the Licensed Patents, at its sole cost and expense and (b) Seller shall have the first right, but not the obligation, to enforce the Licensed Patents, at its sole cost and expense and with the sole right to retain any recoveries with respect thereto; provided, that without limiting Seller's rights under this clause (b), Seller shall consult with Buyer with respect to any enforcement of the Licensed Patents in the field of the diagnosis of thyroid cancer or pancreatic cancer and provided, further, that if Seller does not take commercially reasonably steps to enforce any of the Licensed Patents against an alleged infringer in the field of the diagnosis of thyroid cancer or pancreatic cancer and Buyer wishes to enforce any such Licensed Patent in the field of the diagnosis of thyroid cancer or pancreatic cancer, then Buyer shall so notify Seller and upon Seller's written consent (such consent not to be unreasonably withheld), Buyer may enforce such Licensed Patent in such field at its sole cost and expense and Seller shall, at Buyer's costs and expense, join such action as a party plaintiff if necessary to sustain jurisdiction or standing.

ARTICLE 4
CONFIDENTIALITY AND NON-DISCLOSURE

The rights and obligations of the Parties with respect to Confidential Information hereunder shall be governed by the terms of Section 4.4 of the Asset Purchase Agreement.

ARTICLE 5
DISCLAIMER OF WARRANTIES

BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN SECTION 3.1 OF THE ASSET PURCHASE AGREEMENT, SELLER HAS MADE NO REPRESENTATION OR WARRANTY WHATSOEVER AND BUYER HAS NOT RELIED ON ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, RELATED TO THE LICENSED Patents, THE Licensed Know-How OR THE TRANSACTIONS CONTEMPLATED HEREBY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY PROVIDED IN SECTION 3.1 OF THE ASSET PURCHASE AGREEMENT, BUYER IS LICENSING THE RIGHTS HEREUNDER ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY EXPRESS OR IMPLIED WARRANTIES, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, INCLUDING ANY WARRANTY OF QUALITY, FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, CONDITION OF THE LICENSED PATENTS OR LICENSED KNOW-HOW, AS TO THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF ANY PERSON OR AS TO ANY OTHER MATTER.

ARTICLE 6
TERM AND TERMINATION

6.1 Term. The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect until terminated in accordance with this 7 (such period, the "**Term**").

6.2 Mutual Agreement. This Agreement may be terminated upon the mutual written agreement of Buyer and Seller at any time.

6.3 Patent Challenge. If Buyer or any of its Affiliates or any of its or their respective (sub)licensees initiates (or in any way, directly or indirectly, aids any Third Party in initiating) a declaratory judgment action or similar action or claim that any Licensed Patent is invalid, unenforceable or not infringed by the Exploitation of any Pancreas Royalty Product or any Thyroid Royalty Product by or on behalf of Buyer or any of its Affiliates or any of its or their respective (sub)licensees, then Seller may terminate this Agreement immediately upon written notice to Buyer.

6.4 No Termination for Material Breach. For the avoidance of doubt, neither Party shall have the right to terminate this Agreement because of a material breach of this Agreement by the other Party. In the case of a material breach of this Agreement by a Party, the other Party's remedies shall be limited to recovering of damages and equitable relief.

6.5 Consequences of Termination.

6.5.1 Termination of Agreement . Upon the termination of this Agreement pursuant to Section 6.2 or Section 6.3, all of the licenses granted by Seller to Buyer under

ARTICLE 2, and any sublicenses related thereto entered into by Buyer as permitted hereunder, shall terminate in their entirety.

6.5.2 Accrued Rights. The termination of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination. Such termination shall not relieve a Party from obligations that are expressly indicated to survive the termination of this Agreement.

6.5.3 Survival. Without limiting the foregoing, Section 2.4, this Section 6.5, ARTICLE 4, ARTICLE 4, and ARTICLE 7 shall survive the termination of this Agreement for any reason.

ARTICLE 7
MISCELLANEOUS

7.1 Governing Law, Jurisdiction, Venue and Service.

7.1.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

7.1.3 Jurisdiction. Subject to Section 7.11, the Parties hereby irrevocably and unconditionally consent to the exclusive jurisdiction of the courts of the State of Delaware and the United States District Court for the District of Delaware for any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement, and agree not to commence any action, suit or proceeding (other than appeals therefrom) related thereto except in such courts. The Parties irrevocably and unconditionally waive their right to a jury trial.

7.1.4 Venue . The Parties further hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement in the courts of the State of Delaware or in the United States District Court for the District of Delaware, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

7.1.5 Service. Each Party further agrees that service of any process, summons, notice or document by registered mail to its address set forth in Section 7.2.2 shall be effective service of process for any action, suit or proceeding brought against it under this Agreement in any such court.

7.2 Notices.

7.2.1 Notice Requirements. Any notice, request, demand, waiver, consent, approval or other communication permitted or required under this Agreement (each, a "**Notice**") shall be in writing, shall refer specifically to this Agreement and shall be deemed given only if delivered by hand or sent by facsimile transmission (with transmission confirmed) or by internationally recognized overnight delivery service that maintains records of delivery, addressed to the Parties at their respective addresses specified in Section 7.2.2 or to such other address as the Party to whom notice is to be given may have provided to the other Party at least 10 days' prior to such address taking effect in accordance with this Section 7.2. Such Notice shall be

deemed to have been received: (a) as of the date delivered by hand or by overnight registered mail, courier or express delivery service; or (b) on the day sent by facsimile provided that the sender has received confirmation of transmission (by facsimile receipt confirmation or confirmation by telephone or email) prior to 6:00 p.m. Eastern Time on such day (and if confirmation is received after 6:00 p.m. Eastern Time, such Notice shall be deemed to have been delivered on the following Business Day). Any Notice delivered by facsimile shall be confirmed by a hard copy delivered promptly thereafter.

7.2.2 Address for Notice.

If to Seller, to:

Asuragen, Inc.
2150 Woodward St., Suite 100
Austin, Texas 78744
Facsimile: (512) 681-5201
Attention: Senior Vice President & General Counsel

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

Covington & Burling LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018-1405
Facsimile: (212) 841-1010
Attention: Jack S. Bodner
John A. Hurvitz

If to Buyer, to:

Interpace Diagnostics, LLC
Morris Corporate Center 1, Building A
300 Interpace Parkway
Parsippany, NJ 07054
Fax: 862-207-7810

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

Pepper Hamilton LLP
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103
Attention: Steven J. Abrams

Fax: 215-981-4750

7.3 No Benefit to Third Parties. The covenants and agreements set forth in this Agreement are for the sole benefit of the Parties and their successors and permitted assigns, and they shall not be construed as conferring any rights on any other Persons.

7.4 Waiver and Non-Exclusion of Remedies. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by any Party of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise. The rights and remedies provided herein are cumulative and do not exclude any other right or remedy provided by applicable law or otherwise available except as expressly set forth herein.

7.5 Expenses. Except as otherwise specified herein or in the Asset Purchase Agreement or in any other Ancillary Agreement, each Party shall bear any costs and expenses incurred by it with respect to the Transactions.

7.6 Assignment. Neither this Agreement nor either Party's rights or obligations hereunder may be assigned or delegated by such Party without the prior written consent of the other Party, and any attempted assignment or delegation of this Agreement or any of such rights or obligations by either Party without the prior written consent of the other Party shall be void and of no effect; *provided*, that either Party may assign or delegate any or all of its rights or obligations hereunder without the prior written consent of the other Party to an Affiliate or to a successor, whether in a merger, sale of stock, sale of assets or other similar transaction with respect to the business to which this Agreement relates. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and permitted assigns.

7.7 Amendment. This Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by both Parties.

7.8 Further Assurance. Each Party shall duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such further acts and things, including the filing of such assignments, agreements, documents and instruments, as may be necessary or as the other Party may reasonably request in connection with this Agreement or to carry out more effectively the provisions and purposes hereof, or to better assure and confirm unto such other Party its rights and remedies under this Agreement; *provided, however*, that the foregoing shall not impose any obligation on Seller to perform any acts for or deliver any instruments to Buyer beyond those specific activities set forth in the Transition Services Agreement.

7.9 Independent Contractors. In the exercise of their respective rights, and the performance of their respective obligations, under this Agreement, the Parties are, and shall remain, independent contractors. Nothing in this Agreement shall be construed to constitute the Parties as partners, joint venturers, or participants in a joint enterprise or undertaking, or to constitute either of the Parties

as the agent of the other Party for any purpose whatsoever. Neither Party shall bind, or attempt to bind, the other Party to any contract or the performance of any other obligation, or represent to any Third Party that it is authorized to enter into any contract or binding obligation on behalf of the other Party.

7.10 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of either Party under this Agreement will not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and reasonably acceptable to the Parties.

7.11 Equitable Relief. The Parties agree that irreparable damage would occur 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 shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. Each Party hereby waives (a) any requirement that the other Party post a bond or other security as a condition for obtaining any such relief, and (b) any defenses in any action for specific performance, including the defense that a remedy at law would be adequate.

7.12 English Language. This Agreement shall be written and executed in, and all other communications under or in connection with this Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

7.13 Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of this Agreement.

7.14 Entire Agreement. This Agreement, together with the Schedules and Exhibits expressly contemplated hereby and attached hereto, the Asset Purchase Agreement and the other Ancillary Agreements, contain the entire agreement between the Parties with respect to the Transactions and supersede all prior agreements, understandings, promises and representations, whether written or oral, between the Parties with respect to the subject matter hereof. In the event of any inconsistency between any such Schedules and Exhibits and this Agreement, the terms of this Agreement shall govern.

7.15 Construction. Except where the context otherwise requires, wherever used, the singular includes the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word "or" is used in the inclusive sense (and/or). The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The term "including" as used herein does not limit the generality of any description preceding such term. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party. Unless otherwise specified or where the context otherwise requires, (a) references in this Agreement to any Article, Section, Schedule or Exhibit are references to such Article, Section, Schedule or Exhibit of this Agreement; (b) references in any Section to any clause are references to such clause of such Section; (c) "hereof," "hereto," "hereby," "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement; (d) references to a Person are also to its permitted successors and assigns; (e) references to a law include any amendment or modification to such law and any rules or regulations issued thereunder, in each case, as in effect at the relevant time of reference thereto; and (f) references to any agreement, instrument or other document in this Agreement refer to such agreement, instrument or other document as originally executed or, if subsequently amended, replaced or supplemented from time to time, as so amended, replaced or supplemented and in effect at the relevant time of reference thereto.

[*Signature page follows****]***

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

Asuragen, Inc.	**INTERPACE DIAGNOSTICS, LLC**
By:_____	By:
Name: _____	Name: _____
Title: _____	Title: _____

NON-COMPETE AGREEMENT

THIS NON-COMPETE AGREEMENT (this "***Agreement***") is made on August 13, 2014, by ASURAGEN, INC., a Delaware corporation ("***Asuragen***"), in favor of Interpace Diagnostics, Inc., a Delaware corporation ("***Purchaser***").

BACKGROUND

Purchaser and Asuragen are parties to an Asset Purchase Agreement dated as of the date hereof (the "***Purchase Agreement***"), whereby Asuragen is selling and Purchaser is purchasing the Transferred Products (as defined in the Purchase Agreement) and certain assets and rights comprising or associated with the Transferred Products (the "***Assets***") from Asuragen. The Assets are related to the performance of diagnostic services directed to thyroid cancer or pancreatic cancer in a laboratory certified under CLIA (such diagnostic services being, the "***Business***"). Purchaser intends to continue the operation of the Business. Asuragen is willing to enter into this Agreement in consideration of and as an express condition to Purchaser's purchase of the Assets from Asuragen under the terms of the Purchase Agreement. Capitalized terms used in this Agreement but not otherwise defined have the meanings ascribed to them in the Purchase Agreement.

TERMS

NOW, THEREFORE, in consideration of the foregoing premises and for good and valuable consideration, the receipt of which is hereby acknowledged, Asuragen, intending to be legally bound, agrees as follows:

1. Agreement Not to Compete. For a period of five (5) years from the date of this Agreement (the "***Restricted Period***"), Asuragen covenants that it will not jointly or individually or directly or indirectly through any of its controlled Affiliates:

(a) engage in the Business in the United States of America (the "***Territory***"); provided that in no event shall (i) development or sale of reagents or kits for use in thyroid or pancreatic diagnostics or (ii) performance of research and development activities, other than developing or assistance with developing a laboratory to be certified under the Clinical Laboratory Improvement Amendments of 1988 ("***CLIA***") or assistance with developing a service for pancreatic or thyroid diagnostics (or both) in a CLIA setting, on behalf of existing or future services customers be considered competitive with the Business;

(b) acquire an interest (as owner, stockholder, lender, partner, co-venturer, director, shareholder, employee, agent, consultant or otherwise) in any Person that engages in the Business in the Territory; provided, that notwithstanding the foregoing, (i) Asuragen may own, directly or indirectly, solely as an investment, securities of any Person traded on any national securities exchange if Asuragen does not, directly or indirectly, own 5% or more of any class of securities of such Person and (ii) from and after the third anniversary of the Effective Date,

Asuragen may acquire all or substantially all of the assets or equity interests of a Person (the " ***Acquired Business***") that engages in the Business in the Territory, so long as (1) the gross revenues generated by the Business engaged in by such Acquired Business is, and shall remain at all times such Acquired Business is owned by Asuragen, less than 15% of the lesser of (A)

the total enterprise value of such Acquired Business and (B) the gross revenues of the Acquired Business, in each case without taking into effect the acquisition of such Acquired Business by Asuragen, and (2) within 180 days after the closing of any such acquisition, Asuragen shall consummate a divestiture of the portion of such Acquired Business that is engaged in the Business or otherwise discontinue the portion of such Acquired Business that is engaged in the Business;

(c) solicit, call on or transact or engage in any direct or indirect business activity with any customer, vendor, franchisee, subscriber or referral source with whom Asuragen or any of its controlled Affiliates shall have dealt in connection with the Business at any time prior to the date of this Agreement for purposes of diverting their business or services with respect to the Business from Purchaser;

(d) knowingly influence or attempt to influence any then current customer, vendor, franchisee, or referral source of Purchaser, Asuragen or any of their respective controlled Affiliates, to terminate or modify any written or oral agreement with Purchaser or any of its Affiliates for purposes of diverting their business or services with respect to the Business from Purchaser;

(e) knowingly influence or attempt to influence any Person to terminate or modify an agency, distributorship, or similar arrangement with Purchaser or any of its controlled Affiliates in connection with the Business for purposes of diverting their business or services with respect to the Business from Purchaser; or

(f) knowingly facilitate, assist or permit any of its Affiliates to use any of Asuragen's information, resources, personnel, Intellectual Property Rights, Know-How, Patent Rights, Trade Secrets or assets that would cause any such Affiliate to be in violation of this Agreement had such Affiliate been a party hereto, it being understood that for the purpose of this Section 1(f), the term "Affiliate" shall include any Acquired Business as well as any portion of an Acquired Business Asuragen divests pursuant to Section 1(b).

2. Acknowledgment. Asuragen hereby acknowledges and agrees that:

(a) this Agreement is necessary for the protection of the legitimate business interests of Purchaser;

(b) Purchaser would not enter into the Purchase Agreement but for the execution and delivery of this Agreement by Asuragen;

(c) the scope of this Agreement is reasonable in time, geography and types and limitations of activities restricted; and

(d) breach of this Agreement will be such that Purchaser will not have an adequate remedy at law because of the unique nature of the Assets being conveyed to Purchaser.

3. Remedy. Asuragen acknowledges and agrees that the rights of Purchaser under this Agreement are of a specialized and unique character and that immediate and irreparable damage will result to Purchaser if Asuragen fails to or refuses to perform its obligations under this

Agreement and, notwithstanding any election by Purchaser to claim damages from Asuragen as a result of any such failure or refusal, Purchaser may, in addition to any other remedies and damages available, seek an injunction in a court of competent jurisdiction to restrain any such failure or refusal. No single exercise of the foregoing remedy shall be deemed to exhaust Purchaser's right to such remedy, but the right to such remedy shall continue undiminished and may be exercised from time to time as often as Purchaser may elect.

4. Severability. If any court holds that any provisions of this Agreement as applied to any part or to any circumstances is invalid or unenforceable, such holding shall in no way affect any other provision of this Agreement, the application of such provision in any other circumstances or jurisdictions or the validity or enforceability of this Agreement. Purchaser and Asuragen intend this Agreement to be enforced as written. If any provision, or part thereof, however, is held to be unenforceable because of the scope or duration thereof or the area covered thereby, Purchaser and Asuragen agree that the court making such determination shall have the power to reduce the scope, duration and/or area of such provision, and/or to delete specific words or phrases and in its reduced form such provision shall then be enforceable.

5. No Benefit to Third Parties. The covenants and agreements set forth in this Agreement are for the sole benefit of the Parties and their successors and permitted assigns, and they shall not be construed as conferring any rights on any other Persons.

6. Amendment. This Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by both Parties.

7. Waiver. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition.

8. Construction. Except where the context otherwise requires, wherever used, the singular includes the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word "or" is used in the inclusive sense (and/or). The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The term "including" as used herein does not limit the generality of any description preceding such term. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party. Unless otherwise specified or where the context otherwise requires, (a) references in this Agreement to any Article, Section, Schedule or Exhibit are references to such Article, Section, Schedule or Exhibit of this Agreement; (b) references in any Section to any clause are references to such clause of such Section; (c) "hereof," "hereto," "hereby," "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement; (d) references to a Person are also to its permitted successors and assigns; (e) references to a law include any amendment or modification to such law and any rules or regulations issued thereunder, in each case, as in effect at the relevant time of reference

thereto; and (f) references to any agreement, instrument or other document in this Agreement refer to such agreement, instrument or other document as originally executed or, if

subsequently amended, replaced or supplemented from time to time, as so amended, replaced or supplemented and in effect at the relevant time of reference thereto.

9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

10. Entire Agreement. This Agreement, together with the Purchase Agreement and the other Ancillary Agreements, contain the entire agreement between the Parties with respect to the Transactions and supersede all prior agreements, understandings, promises and representations, whether written or oral, between the Parties with respect to the subject matter hereof.

(***signature page follows***)

IN WITNESS WHEREOF, Asuragen has executed this Agreement on the day and year first above written.

ASURAGEN, INC.

By: _____

Name: _____

Title: _____

[Signature Page to Non-Compete Agreement]

PATENT ASSIGNMENT AGREEMENT

This Patent Assignment Agreement (this " **Assignment**") is made as of this 13th day of August, 2014, by and between Asuragen, Inc., a Delaware corporation ("**Seller**"), and Interpace Diagnostics, LLC, a Delaware limited liability company ("**Buyer**"). Seller and Buyer are sometimes referred to herein individually as a " **Party**" and collectively as the **"Parties**."

RECITALS

WHEREAS, Seller owns the Patent Rights listed on Schedule A attached hereto and made a part hereof (collectively referred to herein as the "**Purchased Patents**");

WHEREAS, Seller and Buyer are parties to that certain Asset Purchase Agreement, dated as of the date hereof (the "**Asset Purchase Agreement**"); and

WHEREAS, pursuant to the Asset Purchase Agreement, Seller has agreed to sell, transfer, convey, assign and deliver to Buyer, and Buyer has agreed to purchase and accept from Seller, all of Seller's right, title and interest in and to the Purchased Patents.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Assignment and of the representations, warranties, conditions, agreements and promises contained in the Asset Purchase Agreement, this Assignment and the other Ancillary Agreements, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. **Definitions.** Unless otherwise specifically provided herein, capitalized terms used in this Assignment and not otherwise defined herein shall have the respective meanings ascribed thereto in the Asset Purchase Agreement.

2. **Conveyance and Acceptance.** In accordance with the provisions of the Asset Purchase Agreement, Seller hereby forever and irrevocably, without reservation, sells, transfers, conveys, assigns and delivers to Buyer all of Seller's right, title and interest in and to the Purchased Patents, including the right to sue and recover for past, present or future infringements, misappropriations, dilution, unauthorized use or disclosure, or other conflict with any of the Purchased Patents, the same to be held and enjoyed by Buyer, for its own use and on behalf of its successors, legal representatives, and assigns, to the full end of the term or terms for which patents may be granted of the Purchased Patents as fully and entirely as the same would have been held and enjoyed by Seller had this sale and assignment not been made, and Buyer hereby accepts such sale, transfer, conveyance, assignment and delivery.

3. **Recordation.** Seller hereby authorizes the United States Commissioner of Patents and Trademarks and, as appropriate, the respective patent office or other

Governmental Authority in each jurisdiction other than the United States, to record this Assignment.

4. **Further Assurances.** Seller agrees, at Buyer's expense, to take such further action and to execute and deliver such additional instruments and documents as Buyer may reasonably request to carry out and fulfill the purposes and intent of this Assignment including signing all papers and documents, taking all lawful oaths and doing all acts necessary or required to be done for the procurement, maintenance, enforcement and defense of patents or applications of Purchased Patents.

5. **Miscellaneous.**

(a) **Governing Law.** This Assignment shall be governed by and construed in accordance with the Laws of the State of Delaware, excluding any conflicts or choice of Law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive Law of another jurisdiction.

(b) **Amendment.** This Assignment may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by both Parties.

(c) **Waiver.** Any term or condition of this Assignment may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by any Party of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise.

(d) **Recordation Expenses.** All costs and expenses associated with recording this Assignment shall be borne solely by Buyer.

(e) **Severability.** If any provision of this Assignment is held to be illegal, invalid or unenforceable under any present or future Law, and if the rights or obligations of either Party under this Assignment will not be materially and adversely affected thereby, (i) such provision shall be fully severable; (ii) this Assignment shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (iii) the remaining provisions of this Assignment shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (iv) in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Assignment a legal, valid and enforceable provision as similar

in terms to such illegal, invalid or unenforceable provision as may be possible and reasonably acceptable to the Parties.

(f) **Counterparts.** This Assignment may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Delivery of an executed counterpart of a signature page of this Assignment by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of this Assignment.

[*Signature page follows*]

IN WITNESS WHEREOF, the Parties have duly executed this Assignment, as of the day and year first written above.

Asuragen, Inc.

By:
Name:
Title:

Interpace Diagnostics, LLC

By:
Name:
Title:

STATE OF _____}
} ss
COUNTY OF _____}

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being duly sworn, did say that he/she is the _____ of Asuragen, Inc. and that he/she duly executed the foregoing instrument for and on behalf of Asuragen, Inc. being duly authorized to do so and that said individual acknowledged said instrument to be the free act and deed of said company.

_____
Notary Public
Expiration Date:_____

SCHEDULE A

PURCHASED PATENTS

Asuragen Ref.	App. No. Patent No.	Filing Date Issue Date	Title	Country
ASUR:012WO	PCT/US07/78936 NA	09/19/2007 NA	MicroRNAs Differentially Expressed in Pancreatic Disease and Uses Thereof	PCT
ASUR:012AU		9/19/2007 NA	MicroRNAs Differentially Expressed in Pancreatic Disease and Uses Thereof	AU
ASUR:012CA		9/19/2007 NA	MicroRNAs Differentially Expressed in Pancreatic Disease and Uses Thereof	CA
ASUR:012EP.D1		9/19/2007 NA	MicroRNAs Differentially Expressed in Pancreatic Disease and Uses Thereof	EU
ASUR:012EP.D2	NA NA	NA NA	MicroRNAs Differentially Expressed in Pancreatic Disease and Uses Thereof	EU
ASUR:012JP	2009-529373 5520605	9/19/2007 4/11/2014	MicroRNAs Differentially Expressed in Pancreatic Disease and Uses Thereof	JP
ASUR:012USP1	60/826,173 NA	09/19/2006 NA	MicroRNAs Differentially Expressed in Pancreatic Disease and Uses Thereof	US
ASUR:012US	11/857,948 NA	9/19/2007 NA	MicroRNAs Differentially Expressed in Pancreatic Disease and Uses Thereof	US
ASUR.P0038WO	PCT/US11/61237 NA	11/17/2011 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	PCT
ASUR.P0038AU	2011329772 NA	11/17/2011 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	AU
ASUR.P0038BR	1120130122650 NA	11/17/2011 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	BR
ASUR.P0038CA	2817882 NA	11/17/2011 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	CA
ASUR.P0038EPD1	14150739.2 NA	11/17/2011 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	EU
ASUR.P0038IL	226356 NA	11/17/2011 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	IL
ASUR.P0038JP	2013540026 NA	11/17/2011 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	JP
ASUR.P0038US.P1	61/414,778 NA	11/17/2010 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	US
ASUR.P0038US	13/299,226 NA	11/17/2011 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	US
ASUR.P0039USP1	61/534,332 NA	09/13/2011 NA	Methods and Compositions Involving miR-135B for Distinguishing Pancreatic Cancer from Benign Pancreatic Disease	US
ASUR.P0039USP2	61/536,486 NA	09/19/2011 NA	Methods and Compositions Involving miR-135B for Distinguishing Pancreatic Cancer from Benign Pancreatic Disease	US
ASUR.P0039US	13/615,066 NA	9/13/2012 NA	Methods and Compositions Involving miR-135B for Distinguishing Pancreatic Cancer from Benign Pancreatic Disease	US

ASUR.P0041.P1	61/552,451 NA	10/27/2011 NA	miRNAs as Diagnostic Biomarkers to Distinguish Benign from Malignant Thyroid Tumors	US
ASUR.P0041.P2	61/552,762 NA	10/27/2011 NA	miRNAs as Diagnostic Biomarkers to Distinguish Benign from Malignant Thyroid Tumors	US
ASUR.P0041US	13/662,450 NA	10/27/2012 NA	miRNAs as Diagnostic Biomarkers to Distinguish Benign from Malignant Thyroid Tumors	US
ASUR.P0041WO	PCT/US2012/062330 NA	10/27/2012 NA	miRNAs as Diagnostic Biomarkers to Distinguish Benign from Malignant Thyroid Tumors	
ASUR.P0041EP	12787991.4 NA	10/27/2012 NA	miRNAs as Diagnostic Biomarkers to Distinguish Benign from Malignant Thyroid Tumors	EU
ASUR.P0043US.P1	61/709,411 NA	10/04/2012 NA	Diagnostic mirnas for Differential Diagnosis of Incidental Pancreatic Cystic Lesions	US
ASUR.P0043US.P2	61/716,396 NA	10/19/2012 NA	Diagnostic mirnas for Differential Diagnosis of Incidental Pancreatic Cystic Lesions	US
ASUR.P0043US	13/801,737 NA	3/13/2013 NA	Diagnostic mirnas for Differential Diagnosis of Incidental Pancreatic Cystic Lesions	US
ASUR.P0043WO	PCT/US2013/030990 NA	3/13/2013 NA	Diagnostic mirnas for Differential Diagnosis of Incidental Pancreatic Cystic Lesions	WO

PATENT ASSIGNMENT AGREEMENT

This Patent Assignment Agreement (this " **Assignment**") is made as of this 13th day of August, 2014, by and between Asuragen, Inc., a Delaware corporation ("**Seller**"), and Interpace Diagnostics, LLC, a Delaware limited liability company ("**Buyer**"). Seller and Buyer are sometimes referred to herein individually as a " **Party**" and collectively as the **"Parties**."

RECITALS

WHEREAS, Seller owns the Patent Rights listed on Schedule A attached hereto and made a part hereof (collectively referred to herein as the "**Purchased Patents**");

WHEREAS, Seller and Buyer are parties to that certain Asset Purchase Agreement, dated as of the date hereof (the "**Asset Purchase Agreement**"); and

WHEREAS, pursuant to the Asset Purchase Agreement, Seller has agreed to sell, transfer, convey, assign and deliver to Buyer, and Buyer has agreed to purchase and accept from Seller, all of Seller's right, title and interest in and to the Purchased Patents.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Assignment and of the representations, warranties, conditions, agreements and promises contained in the Asset Purchase Agreement, this Assignment and the other Ancillary Agreements, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. **Definitions.** Unless otherwise specifically provided herein, capitalized terms used in this Assignment and not otherwise defined herein shall have the respective meanings ascribed thereto in the Asset Purchase Agreement.

2. **Conveyance and Acceptance.** In accordance with the provisions of the Asset Purchase Agreement, Seller hereby forever and irrevocably, without reservation, sells, transfers, conveys, assigns and delivers to Buyer all of Seller's right, title and interest in and to the Purchased Patents, including the right to sue and recover for past, present or future infringements, misappropriations, dilution, unauthorized use or disclosure, or other conflict with any of the Purchased Patents, the same to be held and enjoyed by Buyer, for its own use and on behalf of its successors, legal representatives, and assigns, to the full end of the term or terms for which patents may be granted of the Purchased Patents as fully and entirely as the same would have been held and enjoyed by Seller had this sale and assignment not been made, and Buyer hereby accepts such sale, transfer, conveyance, assignment and delivery.

3. **Recordation.** Seller hereby authorizes the United States Commissioner of Patents and Trademarks and, as appropriate, the respective patent office or other

Governmental Authority in each jurisdiction other than the United States, to record this Assignment.

4. **Further Assurances.** Seller agrees, at Buyer's expense, to take such further action and to execute and deliver such additional instruments and documents as Buyer may reasonably request to carry out and fulfill the purposes and intent of this Assignment including signing all papers and documents, taking all lawful oaths and doing all acts necessary or required to be done for the procurement, maintenance, enforcement and defense of patents or applications of Purchased Patents.

5. **Miscellaneous.**

(a) **Governing Law.** This Assignment shall be governed by and construed in accordance with the Laws of the State of Delaware, excluding any conflicts or choice of Law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive Law of another jurisdiction.

(b) **Amendment.** This Assignment may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by both Parties.

(c) **Waiver.** Any term or condition of this Assignment may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by any Party of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise.

(d) **Recordation Expenses.** All costs and expenses associated with recording this Assignment shall be borne solely by Buyer.

(e) **Severability.** If any provision of this Assignment is held to be illegal, invalid or unenforceable under any present or future Law, and if the rights or obligations of either Party under this Assignment will not be materially and adversely affected thereby, (i) such provision shall be fully severable; (ii) this Assignment shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (iii) the remaining provisions of this Assignment shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (iv) in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Assignment a legal, valid and enforceable provision as similar

in terms to such illegal, invalid or unenforceable provision as may be possible and reasonably acceptable to the Parties.

(f) **Counterparts.** This Assignment may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Delivery of an executed counterpart of a signature page of this Assignment by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of this Assignment.

[*Signature page follows*]

IN WITNESS WHEREOF, the Parties have duly executed this Assignment, as of the day and year first written above.

Asuragen, Inc.

By:
Name:
Title:

Interpace Diagnostics, LLC

By:
Name:
Title:

STATE OF _____}
} ss
COUNTY OF _____}

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being duly sworn, did say that he/she is the _____ of Asuragen, Inc. and that he/she duly executed the foregoing instrument for and on behalf of Asuragen, Inc. being duly authorized to do so and that said individual acknowledged said instrument to be the free act and deed of said company.

_____
Notary Public
Expiration Date:_____

SCHEDULE A

PURCHASED PATENTS

Asuragen Ref.	App. No. Patent No.	Filing Date Issue Date	Title	Country
ASUR:012WO	PCT/US07/78936 NA	09/19/2007 NA	MicroRNAs Differentially Expressed in Pancreatic Disease and Uses Thereof	PCT
ASUR:012AU		9/19/2007 NA	MicroRNAs Differentially Expressed in Pancreatic Disease and Uses Thereof	AU
ASUR:012CA		9/19/2007 NA	MicroRNAs Differentially Expressed in Pancreatic Disease and Uses Thereof	CA
ASUR:012EP.D1		9/19/2007 NA	MicroRNAs Differentially Expressed in Pancreatic Disease and Uses Thereof	EU
ASUR:012EP.D2	NA NA	NA NA	MicroRNAs Differentially Expressed in Pancreatic Disease and Uses Thereof	EU
ASUR:012JP	2009-529373 5520605	9/19/2007 4/11/2014	MicroRNAs Differentially Expressed in Pancreatic Disease and Uses Thereof	JP
ASUR:012USP1	60/826,173 NA	09/19/2006 NA	MicroRNAs Differentially Expressed in Pancreatic Disease and Uses Thereof	US
ASUR:012US	11/857,948 NA	9/19/2007 NA	MicroRNAs Differentially Expressed in Pancreatic Disease and Uses Thereof	US
ASUR.P0038WO	PCT/US11/61237 NA	11/17/2011 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	PCT
ASUR.P0038AU	2011329772 NA	11/17/2011 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	AU
ASUR.P0038BR	1120130122650 NA	11/17/2011 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	BR
ASUR.P0038CA	2817882 NA	11/17/2011 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	CA
ASUR.P0038EPD1	14150739.2 NA	11/17/2011 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	EU
ASUR.P0038IL	226356 NA	11/17/2011 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	IL
ASUR.P0038JP	2013540026 NA	11/17/2011 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	JP
ASUR.P0038US.P1	61/414,778 NA	11/17/2010 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	US
ASUR.P0038US	13/299,226 NA	11/17/2011 NA	MiRNAs as Biomarkers for Distinguishing Benign from Malignant Thyroid Neoplasms	US
ASUR.P0039USP1	61/534,332 NA	09/13/2011 NA	Methods and Compositions Involving miR-135B for Distinguishing Pancreatic Cancer from Benign Pancreatic Disease	US
ASUR.P0039USP2	61/536,486 NA	09/19/2011 NA	Methods and Compositions Involving miR-135B for Distinguishing Pancreatic Cancer from Benign Pancreatic Disease	US
ASUR.P0039US	13/615,066 NA	9/13/2012 NA	Methods and Compositions Involving miR-135B for Distinguishing Pancreatic Cancer from Benign Pancreatic Disease	US

ASUR.P0041.P1	61/552,451 NA	10/27/2011 NA	miRNAs as Diagnostic Biomarkers to Distinguish Benign from Malignant Thyroid Tumors	US
ASUR.P0041.P2	61/552,762 NA	10/27/2011 NA	miRNAs as Diagnostic Biomarkers to Distinguish Benign from Malignant Thyroid Tumors	US
ASUR.P0041US	13/662,450 NA	10/27/2012 NA	miRNAs as Diagnostic Biomarkers to Distinguish Benign from Malignant Thyroid Tumors	US
ASUR.P0041WO	PCT/US2012/062330 NA	10/27/2012 NA	miRNAs as Diagnostic Biomarkers to Distinguish Benign from Malignant Thyroid Tumors	
ASUR.P0041EP	12787991.4 NA	10/27/2012 NA	miRNAs as Diagnostic Biomarkers to Distinguish Benign from Malignant Thyroid Tumors	EU
ASUR.P0043US.P1	61/709,411 NA	10/04/2012 NA	Diagnostic mirnas for Differential Diagnosis of Incidental Pancreatic Cystic Lesions	US
ASUR.P0043US.P2	61/716,396 NA	10/19/2012 NA	Diagnostic mirnas for Differential Diagnosis of Incidental Pancreatic Cystic Lesions	US
ASUR.P0043US	13/801,737 NA	3/13/2013 NA	Diagnostic mirnas for Differential Diagnosis of Incidental Pancreatic Cystic Lesions	US
ASUR.P0043WO	PCT/US2013/030990 NA	3/13/2013 NA	Diagnostic mirnas for Differential Diagnosis of Incidental Pancreatic Cystic Lesions	WO

TRADEMARK ASSIGNMENT AGREEMENT

This Trademark Assignment Agreement (this "**Trademark Assignment**") is made as of this 13th day of August, 2014 (the "**Execution Date**"), by and between Asuragen, Inc., a Delaware corporation (" **Seller**"), and Interpace Diagnostics, LLC, a Delaware limited liability company ("**Buyer**"). Seller and Buyer are sometimes referred to herein individually as a "**Party**" and collectively as the " **Parties**."

RECITALS

WHEREAS, Seller is the sole and exclusive owner in the applicable jurisdiction of the Trademarks set forth on Schedule A attached hereto and made part hereof (collectively, the " **Purchased Trademarks**"); and

WHEREAS, in connection with that certain Asset Purchase Agreement, dated as of the date hereof (the " **Asset Purchase Agreement**"), by and between Seller and Buyer, Buyer wishes to acquire from Seller, and Seller wishes to sell, transfer, convey, assign and deliver to Buyer the Purchased Trademarks, together with all common law rights therein and all goodwill of the business associated with and symbolized by the Purchased Trademarks.

NOW, THEREFORE, in consideration of the mutual benefits to be derived from this Trademark Assignment and of the representations, warranties, conditions, agreements and promises contained in the Asset Purchase Agreement, this Trademark Assignment and the other Ancillary Agreements, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. **Defined Terms.** Unless otherwise specifically provided herein, all capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Asset Purchase Agreement.

2. **Conveyance and Acceptance of Purchased Trademarks.** Effective as of the Execution Date, (a) Seller hereby forever and irrevocably, without reservation, sells, transfers, conveys, assigns and delivers to Buyer (and to Buyer's successors and assigns), all of its right, title and interest in and to the Purchased Trademarks, including all common law rights therein and all trademark registrations and registration applications for the Purchased Trademarks, together with all proceeds, benefits, privileges, causes of action, and remedies relating to the Purchased Trademarks, all rights to bring an action, whether at law or in equity, for past, present, or future infringement, dilution, misappropriation, misuse or other violation of the Purchased Trademarks against any Third Party, all rights to recover damages, profits and injunctive relief for infringement, dilution, misappropriation, misuse, or other violation of the Purchased Trademarks, and all goodwill of the business associated with and symbolized by the Purchased

Trademarks; provided, however, that no such rights are being assigned hereunder with respect to any Excluded Assets or Excluded Liabilities; and (b) Buyer hereby accepts such sale, transfer, conveyance, assignment and delivery.

3. **Recordation.** Seller hereby authorizes Buyer to record this Trademark Assignment with the U.S. Patent and Trademark Office and all other applicable foreign trademark offices or other relevant Governmental Authorities. All costs and expenses associated with the recording of this Trademark Assignment shall be borne solely by Buyer.

4. **Further Assurances.** Seller agrees, at Buyer's expense, to take such further action and to execute and deliver such additional instruments and documents as Buyer may reasonably request to carry out and fulfill the purposes and intent of this Trademark Assignment including signing all papers and documents, taking all lawful oaths and doing all acts necessary or required to be done for the procurement, maintenance, enforcement and defense of trademarks or applications of Purchased Trademarks.

5. **Miscellaneous.**

(a) **Governing Law.** This Trademark Assignment shall be governed by and construed in accordance with the Laws of the State of Delaware, excluding any conflicts or choice of Law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive Law of another jurisdiction.

(b) **Amendment.** This Trademark Assignment may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by both Parties.

(c) **Waiver.** Any term or condition of this Trademark Assignment may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by any Party of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise.

(d) **Severability.** If any provision of this Trademark Assignment is held to be illegal, invalid or unenforceable under any present or future Law, and if the rights or obligations of either Party under this Trademark Assignment will not be materially and adversely affected thereby, (i) such provision shall be fully severable; (ii) this Trademark Assignment shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; (iii) the remaining provisions of this Trademark Assignment shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom

and (iv) in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Trademark Assignment a legal, valid and enforceable provision as

similar in terms to such illegal, invalid or unenforceable provision as may be possible and reasonably acceptable to the Parties.

(e) **Counterparts.** This Trademark Assignment may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Delivery of an executed counterpart of a signature page of this Trademark Assignment by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of this Trademark Assignment.

[*Signature page follows*]

IN WITNESS WHEREOF, the undersigned have duly executed this Trademark Assignment, as of the date first above written.

Asuragen, Inc.

By: _____
Name:
Title:

Interpace Diagnostics, LLC

By: _____
Name:
Title:

STATE OF _____}
} ss
COUNTY OF _____}

On this ____ day of _____, 2014, before me personally appeared _____, to me personally known, who, being duly sworn, did say that he/she is the _____ of Asuragen, Inc. and that he/she duly executed the foregoing instrument for and on behalf of Asuragen, Inc. being duly authorized to do so and that said individual acknowledged said instrument to be the free act and deed of said company.

_____
Notary Public
Expiration Date:_____

SCHEDULE A

PURCHASED TRADEMARKS

Registered Trademarks

Mark	Country	App. No. Reg. No.	Filing Date Reg. Date	Class
MIRINFORM	US	77/447,187 3,546,361	4/14/2008 09/30/2008	9
MIRINFORM	US	85/067,844 4,071,426	6/21/2010 12/13/2011	42
MIRINFORM	US	85/067,850 4,071,427	6/21/2010 12/13/2011	42
MIRINFORM	MP (CN)	A0035669 1162299	4/19/2013 05/08/2013	42
MIRINFORM	MP (CN)	A0035671 11621785	4/19/2013 05/08/2013	42

Unfiled Trademarks

Mark
INFORMAGEN

TRANSITION SERVICES AGREEMENT

This Transition Services Agreement (this "**Agreement**") is made and entered into effective as of August 13, 2014 (the "**Effective Date**"), by and between Asuragen, Inc., a Delaware corporation ("**Seller**"), and **Interpace Diagnostics, LLC**, a Delaware limited liability company (" **Buyer**"). Seller and Buyer may each be referred to herein as a "**Party**" and collectively as the " **Parties**." Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Asset Purchase Agreement (as defined below).

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Asset Purchase Agreement, dated as of the date hereof (the "**Asset Purchase Agreement**"), pursuant to which, effective as of the Closing, Buyer is purchasing from Seller the Purchased Assets; and

WHEREAS, Seller desires to provide to Buyer, and Buyer desires to receive from Seller, the transition services described herein on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions hereinafter set forth and set forth in the Asset Purchase Agreement and the other Ancillary Agreements, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

ARTICLE 1

Transition Services

1.1 Services. Subject to the terms of this Agreement, Seller shall provide the services set forth in Exhibit A hereto (the "**Services**") to Buyer. Such Services shall be provided at reasonable times and upon reasonable notice, as mutually agreed by the Parties. The description of the Services set forth on Exhibit A may be amended from time to time throughout the Term (as defined below) upon the mutual written agreement of the Parties.

1.2 Services Performed by Affiliates or Third Parties. Seller shall have the right to perform the Services either itself, through any Affiliate or through any Third Party contractor.

1.3 Performance Standard. All Services shall be performed diligently and on a timely basis in accordance with standards generally employed by Seller for the performance of the Services prior to the Closing, but in all instances in a workman-like and professional manner and in accordance with Clinical Laboratory Improvement Amendments and CAP accreditation standards (to the extent applicable to the Services); provided, however, that in no event shall Seller be required to employ higher standards than those employed by Seller in

performing such similar activities for itself (the " **Services Standard**"). Buyer acknowledges and agrees that Seller or its Affiliates may make changes from time to time in the manner of

performing the Services if (a) Seller or its Affiliates are making similar changes in performing similar services for their own Affiliates, and (b) Seller or its Affiliates furnish to Buyer substantially the same notice (in content and timing) as Seller or its Affiliates shall furnish to their own Affiliates respecting such changes; provided, that, in each case, such changes do not materially adversely affect the Services Standard or materially change the scope of the Services provided. Buyer acknowledges and agrees that (x) the Services do not include the exercise of business judgment or general management for Buyer and (y) except as otherwise expressly provided in this Agreement, the Services are furnished without warranty of any kind, expressed or implied, including any warranty of merchantability or fitness for a particular purpose.

1.4 Transition Representatives. Seller and Buyer shall each designate an appropriate point of contact for all questions and issues relating to the Services during the Term (the "**Transition Representatives**"). The Transition Representative for Seller shall be Dr. Andrew Hadd, and the Transition Representative for Buyer shall be Alidad Mireskandari, unless a substitute is designated by Seller or Buyer, respectively, from time to time, by written notice to the other Party.

1.5 Transitional Nature of Services. Buyer acknowledges that the Services are intended only to be transitional in nature, and shall be furnished by Seller only during the Term and solely for the purpose of accommodating Buyer in connection with the transactions contemplated by the Asset Purchase Agreement and the other Ancillary Agreements. At the end of the Term, Buyer shall be responsible for performing the Services (or have the Services performed) without the involvement of Seller, its Affiliates or any of its or their employees or agents.

1.6 Consents. To the extent the consent of any (sub)contractor is needed in order for Seller to use such resources to provide the Services, Buyer shall (a) provide reasonable cooperation to Seller in acquiring any such consents; (b) comply with any reasonable requirements imposed on Buyer in connection with securing such consent; (c) comply with any reasonable restrictions imposed on the use of such resources; and (d) be responsible for any reasonable fees payable to such (sub)contractor to the extent necessary to secure the consent. Notwithstanding the foregoing or anything herein to the contrary, if Seller is unable to secure such consents, Seller's sole liability and Buyer's sole remedy will be the assistance by Seller to Buyer in identifying alternate resources that are reasonably acceptable to Buyer.

1.7 Exclusions. Notwithstanding anything herein to the contrary, in no event shall Seller be obligated to: (a) provide any Services that would be unlawful for Seller to provide or that would require Seller to violate any applicable Law; (b) provide any Services that in Seller's reasonable determination could create deficiencies in Seller's controls over financial information or adversely affect the maintenance of Seller's financial books and records or the preparation of its financial statements; (c) maintain the employment of any specific employee; (d) purchase, lease or license any additional equipment or software; (e) create or supply any documentation or information not currently existing or readily available; (f) enter into new or additional Contracts with Third Parties or change the scope of current Contracts with Third Parties or take any actions that would result in the breach of any Contract; or (g) provide any

Service to the extent and for so long as the performance of such Service becomes impracticable as a result of a cause or causes outside the reasonable control of Seller.

ARTICLE 2

Compensation

2.1 Services Fees; Expense Reimbursement. In consideration for Seller's provision of any Services, Buyer shall (a) pay to Seller the fees set forth in Exhibit A (the "**Services Fee**") and (b) reimburse Seller for (i) any amounts paid to Third Parties; (ii) fees associated with securing any consents required from Third Party contractors; (iii) shipping and transportation costs, duties and taxes; (iv) travel and living expenses; and (v) costs or expenses associated with the extraction, conversion and transfer of data, in each case ((i) through (v)), to the extent incurred in connection with providing the Services. Seller shall not charge Buyer, and Buyer shall not be obligated to pay, any costs for Services other than those set forth in this Section 2.1.

2.2 Invoices. Seller shall invoice Buyer monthly in arrears for the Services Fee and any other amounts owed to Seller pursuant to Section 2.1 for the preceding month. Each invoice will specify the amounts owed for each of the Services provided during, and amounts to be reimbursed to Seller for, the relevant month and will contain or be followed by such other supporting detail as Buyer may from time to time reasonably request.

2.3 Due Date. Buyer will pay all amounts due pursuant to this Agreement not subject to a bona fide dispute pursuant to Section 2.6 below, within 30 days of Buyer's receipt of each invoice submitted hereunder. Any payments under this Agreement that are not made on or before the applicable due date shall bear interest at the U.S. Prime Rate, as reported in *The Wall Street Journal* (eastern edition) for the first date on which such payment was delinquent, plus 2.0%, or the maximum rate allowable by applicable Law (if less), beginning on the first date on which payment was delinquent and ending on the date on which such payment is made, calculated based on the actual number of days such payment is overdue.

2.4 Taxes. Buyer shall be responsible for all Taxes imposed in connection with this Agreement, including any such Taxes on the provision or receipt of the Services hereunder, exclusive of Taxes on Seller's income. If Seller or any of its Affiliates are required to pay such Taxes, Buyer shall promptly reimburse Seller therefor.

2.5 Right to Discontinue Services Following Failure to Pay . Seller reserves the right to discontinue any Service under this Agreement in the event Buyer fails to remit payment of any undisputed portion of any invoiced amount and such failure to remit payment remains uncured for more than five Business Days after written notice by Seller.

2.6 Bona Fide Disputes. If Buyer in good faith disputes any portion of an invoice, it shall timely pay the undisputed portion and shall concurrently provide Seller with written notice of the disputed portion and its reasons therefor set forth in reasonable detail. The Parties shall use diligent and good faith efforts to promptly (but in any event, within ten Business Days) resolve any such disputes.

ARTICLE 3

Ownership of Assets and Intellectual Property

3.1 Ownership; Delivery. This Agreement and the performance of the Services hereunder shall not affect the ownership of any assets or intellectual property rights of the Parties or their respective Affiliates. Subject to Section 3.2, neither Party will gain, by virtue of this Agreement or the Services hereunder, by implication or otherwise, any rights of ownership or use of any property or intellectual property rights owned by the other. Seller shall own all Copyrights, Patents, Trade Secrets, Trademarks and other Intellectual Property Rights, title and interest in or pertaining to all work developed by Seller, its Affiliates or Third Party contractors in performing the Services (including computer programs, deliverables and software deliverables) under this Agreement. In addition, notwithstanding anything to the contrary in Exhibit A, under no circumstances will Seller be obligated to deliver or provide to Buyer, or otherwise make available or provide Buyer access to, any item (including any data, Contract, report, diagram or other information) which Seller is not otherwise obligated to provide to Buyer under the terms of the Asset Purchase Agreement.

3.2 Limited License. Buyer, on behalf of itself and its Affiliates, hereby grants to Seller and its Affiliates a non-exclusive, royalty-free, non-transferable (except as provided in Section 6.6 of the Asset Purchase Agreement) license and right of reference, with the right to grant further licenses and sublicenses and rights of reference, to all Purchased Protocols, Purchased Data, Purchased Records, Purchased Patents, Purchased Trademarks and Licensed IP, in each case, to the extent necessary to perform the Services.

ARTICLE 4

Limitation of Liability and Indemnification

4.1 Indemnification of Seller. Buyer shall indemnify, defend and hold harmless the Seller Indemnitees from and against any and all Losses suffered by them in connection with any and all suits, investigations, claims or demands of Third Parties (collectively, "**Third Party Claims**") arising from or occurring as a result of or in connection with: (a) the performance of the Services, (b) the breach by Buyer of any term of this Agreement or (c) the gross negligence or willful misconduct on the part of any Buyer Indemnitee in the performance of Buyer's obligations under this Agreement, except, in each case, for those Losses for which Seller has an obligation to indemnify any Buyer Indemnitee pursuant to Section 4.2, as to which Losses each Party shall indemnify the other Party and the Seller Indemnitees or the Buyer Indemnitees, as applicable, to the extent of its liability for such Losses.

4.2 Indemnification of Buyer. Seller shall indemnify, defend and hold harmless the Buyer Indemnitees from and against any and all Losses suffered by them in connection with any and all Third Party Claims arising from or occurring as a result of: (a) the breach by Seller of any term of this Agreement or (b) the gross negligence or willful misconduct on the part of any Seller Indemnitee in the performance of Seller's obligations under this Agreement, except, in each case, for those Losses for which Buyer has an obligation to

indemnify any Seller Indemnitee pursuant to Section 4.1, as to which Losses each Party shall indemnify the other Party and the Seller Indemnitees or the Buyer Indemnitees, as applicable, to the extent of its liability for such Losses.

4.3 Indemnification Procedures. All indemnification claims of Buyer or any Buyer Indemnitee shall be made solely by Buyer and all indemnification claims of Seller or any Seller Indemnitee shall be made solely by Seller and, in each case, shall be governed by Section 5.2 of the Asset Purchase Agreement.

4.4 Limitation on Damages and Liability.

4.4.1 EXCEPT IN CIRCUMSTANCES OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT BY A PARTY OR ITS AFFILIATES, OR THE KNOWING AND MATERIAL BREACH OR ABANDONMENT BY A PARTY OF THIS AGREEMENT, AND WITHOUT LIMITING THE PARTIES' RIGHTS UNDER SECTION 4.1 OR SECTION 4.2 WITH RESPECT TO THIRD PARTY CLAIMS, NEITHER BUYER NOR SELLER SHALL BE LIABLE TO THE OTHER, OR THEIR AFFILIATES, FOR ANY CLAIMS, DEMANDS OR SUITS FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT OR MULTIPLE DAMAGES, INCLUDING LOSS OF PROFITS, REVENUE OR INCOME, DIMINUTION IN VALUE OR LOSS OF BUSINESS OPPORTUNITY (WHETHER OR NOT FORESEEABLE AT THE EXECUTION DATE) CONNECTED WITH OR RESULTING FROM ANY BREACH OF THIS AGREEMENT, OR ANY ACTIONS UNDERTAKEN IN CONNECTION HEREWITH, OR RELATED HERETO.

4.4.2 EXCEPT IN CIRCUMSTANCES OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT BY SELLER OR ITS AFFILIATES, OR THE KNOWING AND MATERIAL BREACH OR ABANDONMENT BY SELLER OF THIS AGREEMENT, THE MAXIMUM AGGREGATE LIABILITY OF SELLER AND ITS AFFILIATES TO BUYER AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT SHALL BE THE AGGREGATE AMOUNT OF SERVICES FEES PAID BY BUYER TO SELLER HEREUNDER.

ARTICLE 5

Term and Termination

5.1 Term. This term of this Agreement shall commence on the Effective Date and shall continue until the expiration of the last period for which a Service is to be provided hereunder, as set forth on Exhibit A (the "**Term**"), unless earlier terminated pursuant to Section 5.2, Section 5.3 or Section 5.4.

5.2 Termination for Material Breach . In the event that either Party (the "**Breaching Party**") breaches any of its material obligations under this Agreement, the other Party (the "**Complaining Party**") may terminate this Agreement upon 30 days' prior written notice (such 30-day period, the "**Notice Period**") to the Breaching Party, specifying the breach and its claim of right to terminate; provided, that the termination of this Agreement shall not become effective at the end of the Notice Period if (a) the Breaching Party cures such breach during the Notice Period or (b) such breach cannot be cured during the Notice Period and the Breaching Party commences and diligently pursues actions to cure such breach within the Notice

Period, in which case the Breaching Party shall have an additional 30-day period to cure such breach before such termination shall become effective.

5.3 Termination for Insolvency. Either Party may terminate this Agreement immediately upon written notice to the other Party if the other Party: (a) files in any court or with any other Governmental Authority, pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of that Party or of its assets; (b) proposes a written agreement of composition or extension of its debts; (c) is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition is not dismissed within 60 days after the filing thereof; (d) consents to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of such Party or for any substantial part of its property or makes any assignment for the benefit of creditors; (e) admits in writing its inability to pay its debts generally as they become due; or (f) has issued or levied against its property any judgment, writ, warrant of attachment or execution or similar process that represents a substantial portion of its property.

5.4 Mutual Agreement. This Agreement may be terminated upon the mutual written agreement of Buyer and Seller at any time.

5.5 Accrued Rights; Surviving Obligations.

5.5.1 Accrued Rights. The termination or expiration of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination or expiration. Such termination or expiration shall not relieve a Party from obligations that are expressly indicated to survive the termination or expiration of this Agreement.

5.5.2 Survival. Articles 2, 4 and 6, Section 3.1 and this Section 5.5 shall survive the termination or expiration of this Agreement.

ARTICLE 6
MISCELLANEOUS

6.1 Construction. Section 1.2 of the Asset Purchase Agreement is hereby incorporated by reference into this Agreement, *mutatis mutandis*.

6.2 Confidentiality. All information provided by one Party (or its Representatives or Affiliates) (collectively, the "**Disclosing Party**" with respect to such information) to the other Party (or its Representatives or Affiliates) (collectively, the "**Receiving Party**" with respect to such information) in connection with this Agreement (other than any information that, in each case as demonstrated by competent written documentation, (a) was already known to the Receiving Party, other than under an obligation of confidentiality, at the time of disclosure by the Disclosing Party; (b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party; (c) became generally available to the public or otherwise part of the public domain after its disclosure to the Receiving Party other than through any act or omission of the Receiving Party in breach of

Section 5.4 of the Asset Purchase Agreement or the Confidentiality Agreement; (d) is subsequently disclosed to the Receiving Party by a Third Party without obligations of confidentiality with respect thereto; or (e) is subsequently independently discovered or developed by the Receiving Party without the aid, application or use of Confidential Information

of the Disclosing Party), and all memoranda, notes, analyses, compilations, studies and other materials prepared by or for the Receiving Party to the extent containing or reflecting such information shall be Confidential Information subject to the terms of Section 4.4 of the Asset Purchase Agreement.

6.3 Force Majeure. Neither Party shall be held liable or responsible to the other Party or be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement (other than an obligation to make payments) when such failure or delay is caused by or results from events beyond the reasonable control of the non-performing Party, including fires, floods, earthquakes, hurricanes, embargoes, shortages, epidemics or pandemics, quarantines, war, acts of war (whether war be declared or not), terrorist acts, insurrections, riots, civil commotion, strikes, lockouts or other labor disturbances (whether involving the workforce of the non-performing Party or of any other Person), acts of God or acts, omissions or delays in acting by any Governmental Authority. The non-performing Party shall notify the other Party of such force majeure within 15 days after such occurrence by giving written notice to the other Party stating the nature of the event, its anticipated duration, and any action being taken to avoid or minimize its effect. The suspension of performance shall be of no greater scope and no longer duration than is necessary and the non-performing Party shall use commercially reasonable efforts to remedy its inability to perform.

6.4 Governing Law, Jurisdiction, Venue and Service.

6.4.1 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, excluding any conflicts or choice of Law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive Law of another jurisdiction.

6.4.2 Jurisdiction. The Parties hereby irrevocably and unconditionally consent to the exclusive jurisdiction of the courts of the State of Delaware and the United States District Court for the District of Delaware for any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement, and agree not to commence any action, suit or proceeding (other than appeals therefrom) related thereto except in such courts. The Parties irrevocably and unconditionally waive their right to a jury trial.

6.4.3 Venue. The Parties further hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement in the courts of the State of Delaware or in the United States District Court for the District of Delaware, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

6.4.4 Service. Each Party further agrees that service of any process, summons, notice or document by registered mail to its address set forth in Section 6.5.2 shall be effective service of process for any action, suit or proceeding brought against it under this Agreement in any such court.

6.4.5 Notices.

6.5.1 Notice Requirements. Any notice, request, demand, waiver, consent, approval or other communication permitted or required under this Agreement (each, a "**Notice**") shall be in writing, shall refer specifically to this Agreement and shall be deemed given only if delivered by hand or sent by facsimile transmission (with transmission confirmed) or by overnight registered mail, courier or express delivery service that maintains records of delivery, addressed to the Parties at their respective addresses specified in Section 6.5.2 or to such other address as the Party to whom notice is to be given may have provided to the other Party at least 10 days prior to such address taking effect in accordance with this Section 6.5.1. Such Notice shall be deemed to have been received: (a) as of the date delivered by hand or by overnight registered mail, courier or express delivery service; or (b) on the day sent by facsimile provided that the sender has received confirmation of transmission (by facsimile receipt confirmation or confirmation by telephone or email) prior to 6:00 p.m. Eastern Time on such day (and if confirmation is received after 6:00 p.m. Eastern Time, such Notice shall be deemed to have been delivered on the following Business Day). Any Notice delivered by facsimile shall be confirmed by a hard copy delivered as soon as practicable thereafter.

6.5.2 Address for Notice.

If to Seller, to:

Asuragen, Inc.
2150 Woodward St., Suite 100
Austin, Texas 78744
Facsimile: (512) 681 5201
Attention: Senior Vice President & General Counsel

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

Covington & Burling LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018-1405
Facsimile: (212) 841-1010
Attention: Jack S. Bodner
John A. Hurvitz

If to Buyer, to:

Interpace Diagnostics, LLC
Morris Corporate Center 1, Building A
300 Interpace Parkway
Parsippany, NJ 07054
Facsimile: (862) 207-7810
Attention: Chief Executive Officer

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

Pepper Hamilton LLP
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103
Attention: Steven J. Abrams, Esq.
Fax: 215-981-4750

6.6 No Benefit to Third Parties . The covenants and agreements set forth in this Agreement are for the sole benefit of the Parties and their successors and permitted assigns, and, except for the rights of Buyer Indemnitees and Seller Indemnitees under Article 4, they shall not be construed as conferring any rights on any other Persons.

6.7 Waiver and Non-Exclusion of Remedies . Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by any Party of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise. The rights and remedies provided herein are cumulative and do not exclude any other right or remedy provided by applicable Law or otherwise available except as expressly set forth herein.

6.8 Expenses. Except as otherwise specified herein or in the Asset Purchase Agreement or in any other Ancillary Agreement, each Party shall bear any costs and expenses incurred by it with respect to the transactions contemplated herein.

6.9 Assignment. Except as contemplated under Section 1.2, neither this Agreement nor either Party's rights or obligations hereunder may be assigned or delegated by such Party without the prior written consent of the other Party, and any attempted assignment or delegation of this Agreement or any of such rights or obligations by either Party without the prior written consent of the other Party shall be void and of no effect *provided*, that either Party may assign or delegate any or all of its rights or obligations hereunder without the prior written consent of the other Party to an Affiliate or to a successor, whether in a merger, sale of stock, sale of assets or other similar transaction with respect to the business to which this Agreement relates. . Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and permitted assigns.

6.10 Amendment. This Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by both Parties.

6.11 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, and if the rights or obligations of either Party under this Agreement will not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining

provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and reasonably acceptable to the Parties.

6.12 English Language. This Agreement shall be written and executed in, and all other communications under or in connection with this Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

6.13 Further Assurances. Each of Seller and Buyer shall, at any time or from time to time after the Closing, at the request and expense of the other, execute and deliver to the other all such instruments and documents or further assurances as the other may reasonably request in connection with this Agreement or to carry out more effectively the provisions and purposes hereof, or to better assure and confirm unto such other Party its rights and remedies under this Agreement.

6.14 Relationship of the Parties . It is expressly agreed that Seller, on the one hand, and Buyer, on the other hand, shall be independent contractors and that the relationship between the two Parties shall not constitute a partnership, joint venture or agency. Neither Seller, on the one hand, nor Buyer, on the other hand, shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other, without the prior written consent of the other Party to do so. All persons employed by a Party shall be employees of such Party and not of the other Party and all costs and obligations incurred by reason of any such employment shall be for the account and expense of such Party.

6.15 Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of this Agreement.

6.16 Entire Agreement. This Agreement, together with the Exhibits expressly contemplated hereby and attached hereto, the Asset Purchase Agreement, the other Ancillary Agreements, the Confidentiality Agreement and the other agreements, certificates and documents delivered in connection herewith or therewith or otherwise in connection with the transactions contemplated hereby and thereby, contain the entire agreement between the Parties with respect to the transactions contemplated hereby or thereby and supersede all prior agreements, understandings, promises and representations, whether written or oral, between the Parties with respect to the subject matter hereof and thereof.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

Asuragen, Inc.

By: _____
Name:
Title:

Interpace Diagnostics, LLC

By: _____
Name:
Title:

[Signature Page to Transition Services Agreement]

Exhibit A

Services and Fees

1. Seller to provide training with respect to the Purchased Protocols, including any protocols contained within the Licensed IP to the extent referenced in the Purchased Protocols, for the following tests: (a) Thyroid Test Version Two, (b) Thyroid 10 microRNA Classifier; (c) Thyroid 5 microRNA Classifier and (d) Pancreas microRNA Test ((a), (b), (c) and (d), collectively, the "**Covered Tests**"). Such training shall be limited to five days at the Asuragen Clinical Laboratory in Austin, Texas, and, upon Buyer's request (which request shall be made no later than the date that is three months after the Closing), one site visit of up to three consecutive days to Buyer's laboratory in New Haven, Connecticut.

2. Seller to provide technical support with respect to the Covered Tests in the nature of technology transfer for up to three months after the Closing, not to exceed ten hours per month. Seller to provide bioinformatics and validation support with respect to the Covered Tests for up to six months after the Closing, not to exceed ten hours per month. Such support shall include teleconferences and prompt response to inquiries, whether by phone or email.

3. Promptly following the Closing, Seller and Buyer will make a mutually-acceptable joint communication to all customers of Thyroid Test Version One or Thyroid Test Version Two of the Buyer's purchase of the Covered Tests and related transition arrangements.

4. At Buyer's request for a period not to exceed 30 days after the Effective Date, Seller to perform Thyroid Test Version One. Beginning on the 31st day after the Effective Date, at Buyer's request for a period not to exceed 60 days, Seller to perform Thyroid Test Version Two. Such testing shall be billed directly to Buyer at $500 per test, which includes specimen collection kits, physician follow up, completion of requisition and any third party royalty payments to be made by Seller, but does not include any third party billing activities. From and after the Closing, Buyer shall be responsible (financially, administratively and otherwise) for all invoicing, order fulfillment, returns, rebates and chargebacks with respect to orders placed after the Effective Date. Seller shall be responsible (financially, administratively and otherwise) for all invoicing, order fulfillment, returns, rebates and chargebacks with respect to orders placed prior to or on the Effective Date, even if such activities occur after the Closing.

5. Seller to provide a two-day, WebEx sales training with respect to the Transferred Thyroid Products within two weeks after the Closing.

6. Seller to assist Buyer with communication to physicians, advisors and collaborators with respect to the Covered Tests for up to three months after the Closing, such assistance not to exceed 10 hours per month.

7. Seller to provide assistance and documentation with regard to billing information.

TRANSITION SERVICES AGREEMENT

This Transition Services Agreement (this "**Agreement**") is made and entered into effective as of August 13, 2014 (the "**Effective Date**"), by and between Asuragen, Inc., a Delaware corporation ("**Seller**"), and **Interpace Diagnostics, LLC**, a Delaware limited liability company (" **Buyer**"). Seller and Buyer may each be referred to herein as a "**Party**" and collectively as the "**Parties**." Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Asset Purchase Agreement (as defined below).

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Asset Purchase Agreement, dated as of the date hereof (the "**Asset Purchase Agreement**"), pursuant to which, effective as of the Closing, Buyer is purchasing from Seller the Purchased Assets; and

WHEREAS, Seller desires to provide to Buyer, and Buyer desires to receive from Seller, the transition services described herein on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions hereinafter set forth and set forth in the Asset Purchase Agreement and the other Ancillary Agreements, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

ARTICLE 1
Transition Services

1.1 Services. Subject to the terms of this Agreement, Seller shall provide the services set forth in Exhibit A hereto (the "**Services**") to Buyer. Such Services shall be provided at reasonable times and upon reasonable notice, as mutually agreed by the Parties. The description of the Services set forth on Exhibit A may be amended from time to time throughout the Term (as defined below) upon the mutual written agreement of the Parties.

1.2 Services Performed by Affiliates or Third Parties. Seller shall have the right to perform the Services either itself, through any Affiliate or through any Third Party contractor.

1.3 Performance Standard. All Services shall be performed diligently and on a timely basis in accordance with standards generally employed by Seller for the performance of the Services prior to the Closing, but in all instances in a workman-like and professional manner and in accordance with Clinical Laboratory Improvement Amendments and CAP accreditation standards (to the extent applicable to the Services); provided, however, that in no event shall Seller be required to employ higher standards than those employed by Seller in performing such similar activities for itself (the "**Services Standard**"). Buyer acknowledges and agrees that Seller or its Affiliates may make changes from time to time in the manner of

performing the Services if (a) Seller or its Affiliates are making similar changes in performing similar services for their own Affiliates, and (b) Seller or its Affiliates furnish to Buyer substantially the same notice (in content and timing) as Seller or its Affiliates shall furnish to their own Affiliates respecting such changes; provided, that, in each case, such changes do not materially adversely affect the Services Standard or materially change the scope of the Services provided. Buyer acknowledges and agrees that (x) the Services do not include the exercise of business judgment or general management for Buyer and (y) except as otherwise expressly provided in this Agreement, the Services are furnished without warranty of any kind, expressed or implied, including any warranty of merchantability or fitness for a particular purpose.

1.4 Transition Representatives. Seller and Buyer shall each designate an appropriate point of contact for all questions and issues relating to the Services during the Term (the "**Transition Representatives**"). The Transition Representative for Seller shall be Dr. Andrew Hadd, and the Transition Representative for Buyer shall be Alidad Mireskandari, unless a substitute is designated by Seller or Buyer, respectively, from time to time, by written notice to the other Party.

1.5 Transitional Nature of Services. Buyer acknowledges that the Services are intended only to be transitional in nature, and shall be furnished by Seller only during the Term and solely for the purpose of accommodating Buyer in connection with the transactions contemplated by the Asset Purchase Agreement and the other Ancillary Agreements. At the end of the Term, Buyer shall be responsible for performing the Services (or have the Services performed) without the involvement of Seller, its Affiliates or any of its or their employees or agents.

1.6 Consents. To the extent the consent of any (sub)contractor is needed in order for Seller to use such resources to provide the Services, Buyer shall (a) provide reasonable cooperation to Seller in acquiring any such consents; (b) comply with any reasonable requirements imposed on Buyer in connection with securing such consent; (c) comply with any reasonable restrictions imposed on the use of such resources; and (d) be responsible for any reasonable fees payable to such (sub)contractor to the extent necessary to secure the consent. Notwithstanding the foregoing or anything herein to the contrary, if Seller is unable to secure such consents, Seller's sole liability and Buyer's sole remedy will be the assistance by Seller to Buyer in identifying alternate resources that are reasonably acceptable to Buyer.

1.7 Exclusions. Notwithstanding anything herein to the contrary, in no event shall Seller be obligated to: (a) provide any Services that would be unlawful for Seller to provide or that would require Seller to violate any applicable Law; (b) provide any Services that in Seller's reasonable determination could create deficiencies in Seller's controls over financial information or adversely affect the maintenance of Seller's financial books and records or the preparation of its financial statements; (c) maintain the employment of any specific employee; (d) purchase, lease or license any additional equipment or software; (e) create or supply any documentation or information not currently existing or readily available; (f) enter into new or additional Contracts with Third Parties or change the scope of current Contracts with Third Parties or take any actions that would result in the breach of any Contract; or (g) provide any Service to the extent and for so long as the performance of such Service becomes impracticable as a result of a cause or causes outside the reasonable control of Seller.

ARTICLE 2

Compensation

2.1 Services Fees; Expense Reimbursement. In consideration for Seller's provision of any Services, Buyer shall (a) pay to Seller the fees set forth in Exhibit A (the "**Services Fee**") and (b) reimburse Seller for (i) any amounts paid to Third Parties; (ii) fees associated with securing any consents required from Third Party contractors; (iii) shipping and transportation costs, duties and taxes; (iv) travel and living expenses; and (v) costs or expenses associated with the extraction, conversion and transfer of data, in each case ((i) through (v)), to the extent incurred in connection with providing the Services. Seller shall not charge Buyer, and Buyer shall not be obligated to pay, any costs for Services other than those set forth in this Section 2.1.

2.2 Invoices. Seller shall invoice Buyer monthly in arrears for the Services Fee and any other amounts owed to Seller pursuant to Section 2.1 for the preceding month. Each invoice will specify the amounts owed for each of the Services provided during, and amounts to be reimbursed to Seller for, the relevant month and will contain or be followed by such other supporting detail as Buyer may from time to time reasonably request.

2.3 Due Date. Buyer will pay all amounts due pursuant to this Agreement not subject to a bona fide dispute pursuant to Section 2.6 below, within 30 days of Buyer's receipt of each invoice submitted hereunder. Any payments under this Agreement that are not made on or before the applicable due date shall bear interest at the U.S. Prime Rate, as reported in *The Wall Street Journal* (eastern edition) for the first date on which such payment was delinquent, plus 2.0%, or the maximum rate allowable by applicable Law (if less), beginning on the first date on which payment was delinquent and ending on the date on which such payment is made, calculated based on the actual number of days such payment is overdue.

2.4 Taxes. Buyer shall be responsible for all Taxes imposed in connection with this Agreement, including any such Taxes on the provision or receipt of the Services hereunder, exclusive of Taxes on Seller's income. If Seller or any of its Affiliates are required to pay such Taxes, Buyer shall promptly reimburse Seller therefor.

2.5 Right to Discontinue Services Following Failure to Pay . Seller reserves the right to discontinue any Service under this Agreement in the event Buyer fails to remit payment of any undisputed portion of any invoiced amount and such failure to remit payment remains uncured for more than five Business Days after written notice by Seller.

2.6 Bona Fide Disputes. If Buyer in good faith disputes any portion of an invoice, it shall timely pay the undisputed portion and shall concurrently provide Seller with written notice of the disputed portion and its reasons therefor set forth in reasonable detail. The Parties shall use diligent and good faith efforts to promptly (but in any event, within ten Business Days) resolve any such disputes.

ARTICLE 3
Ownership of Assets and Intellectual Property

3.1 Ownership; Delivery. This Agreement and the performance of the Services hereunder shall not affect the ownership of any assets or intellectual property rights of the Parties or their respective Affiliates. Subject to Section 3.2, neither Party will gain, by virtue of this Agreement or the Services hereunder, by implication or otherwise, any rights of ownership or use of any property or intellectual property rights owned by the other. Seller shall own all Copyrights, Patents, Trade Secrets, Trademarks and other Intellectual Property Rights, title and interest in or pertaining to all work developed by Seller, its Affiliates or Third Party contractors in performing the Services (including computer programs, deliverables and software deliverables) under this Agreement. In addition, notwithstanding anything to the contrary in Exhibit A, under no circumstances will Seller be obligated to deliver or provide to Buyer, or otherwise make available or provide Buyer access to, any item (including any data, Contract, report, diagram or other information) which Seller is not otherwise obligated to provide to Buyer under the terms of the Asset Purchase Agreement.

3.2 Limited License. Buyer, on behalf of itself and its Affiliates, hereby grants to Seller and its Affiliates a non-exclusive, royalty-free, non-transferable (except as provided in Section 6.6 of the Asset Purchase Agreement) license and right of reference, with the right to grant further licenses and sublicenses and rights of reference, to all Purchased Protocols, Purchased Data, Purchased Records, Purchased Patents, Purchased Trademarks and Licensed IP, in each case, to the extent necessary to perform the Services.

ARTICLE 4
Limitation of Liability and Indemnification

4.1 Indemnification of Seller. Buyer shall indemnify, defend and hold harmless the Seller Indemnitees from and against any and all Losses suffered by them in connection with any and all suits, investigations, claims or demands of Third Parties (collectively, "**Third Party Claims**") arising from or occurring as a result of or in connection with: (a) the performance of the Services, (b) the breach by Buyer of any term of this Agreement or (c) the gross negligence or willful misconduct on the part of any Buyer Indemnitee in the performance of Buyer's obligations under this Agreement, except, in each case, for those Losses for which Seller has an obligation to indemnify any Buyer Indemnitee pursuant to Section 4.2, as to which Losses each Party shall indemnify the other Party and the Seller Indemnitees or the Buyer Indemnitees, as applicable, to the extent of its liability for such Losses.

4.2 Indemnification of Buyer. Seller shall indemnify, defend and hold harmless the Buyer Indemnitees from and against any and all Losses suffered by them in connection with any and all Third Party Claims arising from or occurring as a result of: (a) the breach by Seller of any term of this Agreement or (b) the gross negligence or willful misconduct on the part of any Seller Indemnitee in the performance of Seller's obligations under this Agreement, except, in each case, for those Losses for which Buyer has an obligation to indemnify any Seller Indemnitee pursuant to Section 4.1, as to which Losses each Party shall indemnify the other Party and the Seller Indemnitees or the Buyer Indemnitees, as applicable, to the extent of its liability for such Losses.

4.3 Indemnification Procedures. All indemnification claims of Buyer or any Buyer Indemnitee shall be made solely by Buyer and all indemnification claims of Seller or any Seller Indemnitee shall be made solely by Seller and, in each case, shall be governed by Section 5.2 of the Asset Purchase Agreement.

4.4 Limitation on Damages and Liability.

4.4.1 EXCEPT IN CIRCUMSTANCES OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT BY A PARTY OR ITS AFFILIATES, OR THE KNOWING AND MATERIAL BREACH OR ABANDONMENT BY A PARTY OF THIS AGREEMENT, AND WITHOUT LIMITING THE PARTIES' RIGHTS UNDER SECTION 4.1 OR SECTION 4.2 WITH RESPECT TO THIRD PARTY CLAIMS, NEITHER BUYER NOR SELLER SHALL BE LIABLE TO THE OTHER, OR THEIR AFFILIATES, FOR ANY CLAIMS, DEMANDS OR SUITS FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT OR MULTIPLE DAMAGES, INCLUDING LOSS OF PROFITS, REVENUE OR INCOME, DIMINUTION IN VALUE OR LOSS OF BUSINESS OPPORTUNITY (WHETHER OR NOT FORESEEABLE AT THE EXECUTION DATE) CONNECTED WITH OR RESULTING FROM ANY BREACH OF THIS AGREEMENT, OR ANY ACTIONS UNDERTAKEN IN CONNECTION HEREWITH, OR RELATED HERETO.

4.4.2 EXCEPT IN CIRCUMSTANCES OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT BY SELLER OR ITS AFFILIATES, OR THE KNOWING AND MATERIAL BREACH OR ABANDONMENT BY SELLER OF THIS AGREEMENT, THE MAXIMUM AGGREGATE LIABILITY OF SELLER AND ITS AFFILIATES TO BUYER AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT SHALL BE THE AGGREGATE AMOUNT OF SERVICES FEES PAID BY BUYER TO SELLER HEREUNDER.

ARTICLE 5
Term and Termination

5.1 Term. This term of this Agreement shall commence on the Effective Date and shall continue until the expiration of the last period for which a Service is to be provided hereunder, as set forth on Exhibit A (the "**Term**"), unless earlier terminated pursuant to Section 5.2, Section 5.3 or Section 5.4.

5.2 Termination for Material Breach . In the event that either Party (the "**Breaching Party**") breaches any of its material obligations under this Agreement, the other Party (the "**Complaining Party**") may terminate this Agreement upon 30 days' prior written notice (such 30-day period, the "**Notice Period**") to the Breaching Party, specifying the breach and its claim of right to terminate; provided, that the termination of this Agreement shall not become effective at the end of the Notice Period if (a) the Breaching Party cures such breach during the Notice Period or (b) such breach cannot be cured during the Notice Period and the Breaching Party commences and diligently pursues actions to cure such breach within the Notice Period, in which case the Breaching Party shall have an additional 30-day period to cure such breach before such termination shall become effective.

5.3 Termination for Insolvency. Either Party may terminate this Agreement immediately upon written notice to the other Party if the other Party: (a) files in any court or with any other Governmental Authority, pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of that Party or of its assets; (b) proposes a written agreement of composition or extension of its debts; (c) is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition is not dismissed within 60 days after the filing thereof; (d) consents to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of such Party or for any substantial part of its property or makes any assignment for the benefit of creditors; (e) admits in writing its inability to pay its debts generally as they become due; or (f) has issued or levied against its property any judgment, writ, warrant of attachment or execution or similar process that represents a substantial portion of its property.

5.4 Mutual Agreement. This Agreement may be terminated upon the mutual written agreement of Buyer and Seller at any time.

5.5 Accrued Rights; Surviving Obligations.

5.5.1 Accrued Rights. The termination or expiration of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination or expiration. Such termination or expiration shall not relieve a Party from obligations that are expressly indicated to survive the termination or expiration of this Agreement.

5.5.2 Survival. Articles 2, 4 and 6, Section 3.1 and this Section 5.5 shall survive the termination or expiration of this Agreement.

ARTICLE 6
MISCELLANEOUS

6.1 Construction. Section 1.2 of the Asset Purchase Agreement is hereby incorporated by reference into this Agreement, *mutatis mutandis*.

6.2 Confidentiality. All information provided by one Party (or its Representatives or Affiliates) (collectively, the "**Disclosing Party**" with respect to such information) to the other Party (or its Representatives or Affiliates) (collectively, the "**Receiving Party**" with respect to such information) in connection with this Agreement (other than any information that, in each case as demonstrated by competent written documentation, (a) was already known to the Receiving Party, other than under an obligation of confidentiality, at the time of disclosure by the Disclosing Party; (b) was generally available to the public or otherwise part of the public domain at the time of its disclosure to the Receiving Party; (c) became generally available to the public or otherwise part of the public domain after its disclosure to the Receiving Party other than through any act or omission of the Receiving Party in breach of Section 5.4 of the Asset Purchase Agreement or the Confidentiality Agreement; (d) is subsequently disclosed to the Receiving Party by a Third Party without obligations of confidentiality with respect thereto; or (e) is subsequently independently discovered or developed by the Receiving Party without the aid, application or use of Confidential Information

of the Disclosing Party), and all memoranda, notes, analyses, compilations, studies and other materials prepared by or for the Receiving Party to the extent containing or reflecting such information shall be Confidential Information subject to the terms of Section 4.4 of the Asset Purchase Agreement.

6.3 Force Majeure. Neither Party shall be held liable or responsible to the other Party or be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement (other than an obligation to make payments) when such failure or delay is caused by or results from events beyond the reasonable control of the non-performing Party, including fires, floods, earthquakes, hurricanes, embargoes, shortages, epidemics or pandemics, quarantines, war, acts of war (whether war be declared or not), terrorist acts, insurrections, riots, civil commotion, strikes, lockouts or other labor disturbances (whether involving the workforce of the non-performing Party or of any other Person), acts of God or acts, omissions or delays in acting by any Governmental Authority. The non-performing Party shall notify the other Party of such force majeure within 15 days after such occurrence by giving written notice to the other Party stating the nature of the event, its anticipated duration, and any action being taken to avoid or minimize its effect. The suspension of performance shall be of no greater scope and no longer duration than is necessary and the non-performing Party shall use commercially reasonable efforts to remedy its inability to perform.

6.4 Governing Law, Jurisdiction, Venue and Service.

6.4.1 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, excluding any conflicts or choice of Law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive Law of another jurisdiction.

6.4.2 Jurisdiction. The Parties hereby irrevocably and unconditionally consent to the exclusive jurisdiction of the courts of the State of Delaware and the United States District Court for the District of Delaware for any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement, and agree not to commence any action, suit or proceeding (other than appeals therefrom) related thereto except in such courts. The Parties irrevocably and unconditionally waive their right to a jury trial.

6.4.3 Venue. The Parties further hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement in the courts of the State of Delaware or in the United States District Court for the District of Delaware, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

6.4.4 Service. Each Party further agrees that service of any process, summons, notice or document by registered mail to its address set forth in Section 6.5.2 shall be effective service of process for any action, suit or proceeding brought against it under this Agreement in any such court.

6.4.5 Notices.

6.5.1 Notice Requirements. Any notice, request, demand, waiver, consent, approval or other communication permitted or required under this Agreement (each, a "**Notice**") shall be in writing, shall refer specifically to this Agreement and shall be deemed given only if delivered by hand or sent by facsimile transmission (with transmission confirmed) or by overnight registered mail, courier or express delivery service that maintains records of delivery, addressed to the Parties at their respective addresses specified in Section 6.5.2 or to such other address as the Party to whom notice is to be given may have provided to the other Party at least 10 days prior to such address taking effect in accordance with this Section 6.5.1. Such Notice shall be deemed to have been received: (a) as of the date delivered by hand or by overnight registered mail, courier or express delivery service; or (b) on the day sent by facsimile provided that the sender has received confirmation of transmission (by facsimile receipt confirmation or confirmation by telephone or email) prior to 6:00 p.m. Eastern Time on such day (and if confirmation is received after 6:00 p.m. Eastern Time, such Notice shall be deemed to have been delivered on the following Business Day). Any Notice delivered by facsimile shall be confirmed by a hard copy delivered as soon as practicable thereafter.

6.5.2 Address for Notice.

If to Seller, to:

Asuragen, Inc.
2150 Woodward St., Suite 100
Austin, Texas 78744
Facsimile: (512) 681 5201
Attention: Senior Vice President & General Counsel

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

Covington & Burling LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018-1405
Facsimile: (212) 841-1010
Attention: Jack S. Bodner
John A. Hurvitz

If to Buyer, to:

Interpace Diagnostics, LLC
Morris Corporate Center 1, Building A
300 Interpace Parkway
Parsippany, NJ 07054
Facsimile: (862) 207-7810
Attention: Chief Executive Officer

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

Pepper Hamilton LLP
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103
Attention: Steven J. Abrams, Esq.
Fax: 215-981-4750

6.6 No Benefit to Third Parties . The covenants and agreements set forth in this Agreement are for the sole benefit of the Parties and their successors and permitted assigns, and, except for the rights of Buyer Indemnitees and Seller Indemnitees under Article 4, they shall not be construed as conferring any rights on any other Persons.

6.7 Waiver and Non-Exclusion of Remedies . Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by any Party of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise. The rights and remedies provided herein are cumulative and do not exclude any other right or remedy provided by applicable Law or otherwise available except as expressly set forth herein.

6.8 Expenses. Except as otherwise specified herein or in the Asset Purchase Agreement or in any other Ancillary Agreement, each Party shall bear any costs and expenses incurred by it with respect to the transactions contemplated herein.

6.9 Assignment. Except as contemplated under Section 1.2, neither this Agreement nor either Party's rights or obligations hereunder may be assigned or delegated by such Party without the prior written consent of the other Party, and any attempted assignment or delegation of this Agreement or any of such rights or obligations by either Party without the prior written consent of the other Party shall be void and of no effect *provided*, that either Party may assign or delegate any or all of its rights or obligations hereunder without the prior written consent of the other Party to an Affiliate or to a successor, whether in a merger, sale of stock, sale of assets or other similar transaction with respect to the business to which this Agreement relates. . Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and permitted assigns.

6.10 Amendment. This Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by both Parties.

6.11 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, and if the rights or obligations of either Party under this Agreement will not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining

provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and reasonably acceptable to the Parties.

6.12 English Language. This Agreement shall be written and executed in, and all other communications under or in connection with this Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

6.13 Further Assurances. Each of Seller and Buyer shall, at any time or from time to time after the Closing, at the request and expense of the other, execute and deliver to the other all such instruments and documents or further assurances as the other may reasonably request in connection with this Agreement or to carry out more effectively the provisions and purposes hereof, or to better assure and confirm unto such other Party its rights and remedies under this Agreement.

6.14 Relationship of the Parties . It is expressly agreed that Seller, on the one hand, and Buyer, on the other hand, shall be independent contractors and that the relationship between the two Parties shall not constitute a partnership, joint venture or agency. Neither Seller, on the one hand, nor Buyer, on the other hand, shall have the authority to make any statements, representations or commitments of any kind, or to take any action, which shall be binding on the other, without the prior written consent of the other Party to do so. All persons employed by a Party shall be employees of such Party and not of the other Party and all costs and obligations incurred by reason of any such employment shall be for the account and expense of such Party.

6.15 Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of this Agreement.

6.16 Entire Agreement. This Agreement, together with the Exhibits expressly contemplated hereby and attached hereto, the Asset Purchase Agreement, the other Ancillary Agreements, the Confidentiality Agreement and the other agreements, certificates and documents delivered in connection herewith or therewith or otherwise in connection with the transactions contemplated hereby and thereby, contain the entire agreement between the Parties with respect to the transactions contemplated hereby or thereby and supersede all prior agreements, understandings, promises and representations, whether written or oral, between the Parties with respect to the subject matter hereof and thereof.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

Asuragen, Inc.

By: _____
Name:
Title:

Interpace Diagnostics, LLC

By: _____
Name:
Title:

[Signature Page to Transition Services Agreement]

Exhibit A

Services and Fees

1. Seller to provide training with respect to the Purchased Protocols, including any protocols contained within the Licensed IP to the extent referenced in the Purchased Protocols, for the following tests: (a) Thyroid Test Version Two, (b) Thyroid 10 microRNA Classifier; (c) Thyroid 5 microRNA Classifier and (d) Pancreas microRNA Test ((a), (b), (c) and (d), collectively, the "**Covered Tests**"). Such training shall be limited to five days at the Asuragen Clinical Laboratory in Austin, Texas, and, upon Buyer's request (which request shall be made no later than the date that is three months after the Closing), one site visit of up to three consecutive days to Buyer's laboratory in New Haven, Connecticut.

2. Seller to provide technical support with respect to the Covered Tests in the nature of technology transfer for up to three months after the Closing, not to exceed ten hours per month. Seller to provide bioinformatics and validation support with respect to the Covered Tests for up to six months after the Closing, not to exceed ten hours per month. Such support shall include teleconferences and prompt response to inquiries, whether by phone or email.

3. Promptly following the Closing, Seller and Buyer will make a mutually-acceptable joint communication to all customers of Thyroid Test Version One or Thyroid Test Version Two of the Buyer's purchase of the Covered Tests and related transition arrangements.

4. At Buyer's request for a period not to exceed 30 days after the Effective Date, Seller to perform Thyroid Test Version One. Beginning on the 31st day after the Effective Date, at Buyer's request for a period not to exceed 60 days, Seller to perform Thyroid Test Version Two. Such testing shall be billed directly to Buyer at $500 per test, which includes specimen collection kits, physician follow up, completion of requisition and any third party royalty payments to be made by Seller, but does not include any third party billing activities. From and after the Closing, Buyer shall be responsible (financially, administratively and otherwise) for all invoicing, order fulfillment, returns, rebates and chargebacks with respect to orders placed after the Effective Date. Seller shall be responsible (financially, administratively and otherwise) for all invoicing, order fulfillment, returns, rebates and chargebacks with respect to orders placed prior to or on the Effective Date, even if such activities occur after the Closing.

5. Seller to provide a two-day, WebEx sales training with respect to the Transferred Thyroid Products within two weeks after the Closing.

6. Seller to assist Buyer with communication to physicians, advisors and collaborators with respect to the Covered Tests for up to three months after the Closing, such assistance not to exceed 10 hours per month.

7. Seller to provide assistance and documentation with regard to billing information.

LICENSE AGREEMENT

by and between

Asuragen, Inc.

and

Interpace Diagnostics, LLC

Dated as of August 13, 2014

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SCHEDULES

LICENSE AGREEMENT

This License Agreement (this "**Agreement**") is made and entered into effective as of August 13, 2014 (the "**Effective Date**") by and between Asuragen, Inc., a corporation organized and existing under the laws of the State of Delaware ("**Seller**"), and Interpace Diagnostics, LLC, a Delaware limited liability company (" **Buyer**"). Seller and Buyer are sometimes referred herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Asset Purchase Agreement, dated as of August 13, 2014 (the "**Asset Purchase Agreement**"), pursuant to which Buyer is purchasing from Seller certain assets related to the Transferred Products (as defined in the Asset Purchase Agreement); and

WHEREAS, in connection with the Transactions (as defined in the Asset Purchase Agreement), Seller is required to grant a license to Buyer, and Buyer is required to take a license, under certain intellectual property owned by Seller.

NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions hereinafter set forth and set forth in the Asset Purchase Agreement and other good and valuable

consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the meanings set forth in this Article 1 and capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed thereto in the Asset Purchase Agreement.

1.1 "**Agreement**" has the meaning set forth in the preamble hereto.

1.2 "**ASRs**" means Analyte Specific Reagents as defined in 21 C.F.R. §864.4020 that are regulated by the FDA and manufactured in accordance with the FDA's good manufacturing practices and quality system regulations.

1.3 "**Asset Purchase Agreement**" has the meaning set forth in the recitals hereto.

1.4 "**Buyer**" has the meaning set forth in the preamble hereto.

1.5 "**Effective Date**" has the meaning set forth in the preamble hereto.

1.6 "**Licensed Know-How**" means the Licensed Pancreas microRNA Classifier Know-How, the Licensed Thyroid microRNA Classifier Know-How and the Licensed Thyroid Test Know-How.

1.7 "**Licensed microRNA Classifier Patents**" means those Patents that are owned by Seller as of the Effective Date that are set forth on Schedule 1.7.

1.8 "**Licensed mir-21 Patents**" means those Patents that are owned by Seller as of the Effective Date that are set forth on Schedule 1.8.

1.9 "**Licensed Pancreas microRNA Classifier Know-How**" means the protocols, data and data packages that are owned by Seller as of the Effective Date that are set forth on Schedule 1.9.

1.10 "**Licensed Patents**" means the Licensed microRNA Classifier Patents and the Licensed mir-21 Patents.

1.11 "**Licensed Thyroid microRNA Classifier Know-How**" means the protocols, data and data packages that are owned by Seller as of the Effective Date that are set forth on Schedule 1.11.

1.12 "**Licensed Thyroid Test Know-How**" means the protocols, data and data packages that are owned by Seller as of the Effective Date that are set forth on Schedule 1.12.

1.13 "**Notice**" has the meaning set forth in Section 7.2.1.

1.14 "**Party**" and "**Parties**" each has the meaning set forth in the preamble hereto.

1.15 "**Reagents**" means (a) reagents that are awaiting FDA review for clearance or approval pursuant to a valid and pending 510(k) or PMA application or are the subject of an FDA approved Investigational Device Exemption ("**IDE**") application, in each case that has been submitted to the FDA in accordance with the

FFDCA, or (b) reagents that are the subject of preclinical studies undertaken for the sole purpose of generating data in support an IDE or PMA application intended to be made for such reagent that are conducted internally or with or by a Third Party investigator under sponsored and supposed contract research agreements under which such reagents are provided without monetary consideration and that are manufactured in accordance the FDA's good manufacturing practices or quality system regulations.

1.16 "**Seller**" has the meaning set forth in the preamble hereto.

1.17 "**Sublicensee**" means a Third Party that is granted a sublicense by Buyer under the grant in Section 2.1, as provided in Section 2.3.

1.18 "**Term**" has the meaning set forth in Section 6.1.

ARTICLE 2
GRANT OF RIGHTS

2.1 Grants to Buyer. Seller (on behalf of itself and its Affiliates), in consideration of the amounts due under the Asset Purchase Agreement, hereby grants to Buyer and its Affiliates:

2.1.1 an exclusive (even as to Seller and its Affiliates), worldwide, non-transferable (except as provided in Section 7.6), perpetual (except as provided in ARTICLE 6), irrevocable (except as provided in ARTICLE 6), royalty-free (except for the royalties payable under the Asset Purchase Agreement) license, with the right to grant sublicenses in accordance with Section 2.3, under the Licensed microRNA Classifier Patents to Exploit the Thyroid 5 microRNA Classifier, the Thyroid 10 microRNA Classifier and the Pancreas microRNA Test and for the purpose of diagnosing thyroid cancer or pancreatic cancer, as applicable;

2.1.2 an exclusive (even as to Seller and its Affiliates), worldwide, non-transferable (except as provided in Section 7.6), perpetual (except as provided in ARTICLE 6), irrevocable (except as provided in ARTICLE 6), royalty-free (except for the royalties payable under the Asset Purchase Agreement) license, with the right to grant sublicenses in accordance with Section 2.3, under the Licensed mir-21 Patents to Exploit ASRs and Reagents, for the purpose of diagnosing thyroid cancer or pancreatic cancer;

2.1.3 a worldwide, non-transferable (except as provided in Section 7.6), perpetual (except as provided in ARTICLE 6), irrevocable (except as provided in ARTICLE 6), royalty-free (except for the royalties payable under the Asset Purchase Agreement) license, with the right to grant sublicenses in accordance with Section 2.3, under the Licensed Thyroid Test Know-How, which license shall be (a) exclusive (even as to Seller and its Affiliates) to Exploit the Thyroid Test Version One, Thyroid Test Version Two or Thyroid Test Version Three and (b) subject to clause (a), non-exclusive for the purpose of diagnosing thyroid cancer;

2.1.4 a worldwide, non-transferable (except as provided in Section 7.6), perpetual (except as provided in ARTICLE 6), irrevocable (except as provided in ARTICLE 6), royalty-free (except for the royalties payable under the Asset Purchase Agreement) license, with the right to grant sublicenses in accordance with Section 2.3, under the Licensed Thyroid microRNA Know-How, which license shall be (a) exclusive (even as to Seller and its Affiliates) to Exploit the Thyroid 5 microRNA Classifier or the Thyroid 10 microRNA Classifier and (b) subject to clause (a), non-exclusive for the purpose of diagnosing thyroid cancer; and

2.1.5 a worldwide, non-transferable (except as provided in Section 7.6), perpetual (except as provided in ARTICLE 6), irrevocable (except as provided in ARTICLE 6), royalty-free (except for the royalties payable under the Asset Purchase Agreement) license, with the right to grant sublicenses in accordance with Section 2.3, under the Licensed Pancreas microRNA Know-How, which license shall be (a) exclusive (even as to Seller and its Affiliates) to Exploit the Pancreas microRNA Test and (b) subject to clause (a), non-exclusive for the purpose of diagnosis pancreatic cancer.

All rights granted to Buyer under this Section 2.1 shall be subject and subordinate to the rights of any Third Party in any Licensed Patents or Licensed Know-How as of the Effective Date pursuant to any agreement set forth on Schedule 2.1 and shall be effective solely to the extent consistent with such Third Party's rights. Nothing in this Agreement shall be construed as granting to the Buyer any rights that are broader than Seller's existing rights with respect to the Licensed Patents and Licensed Know-How as of the Effective Date.

2.2 Retention of Rights. Notwithstanding anything to the contrary in this Agreement, Seller retains, on behalf of itself and its Affiliates, (sub)licensees, licensors and distributors, all right, title and interest in and to the Licensed Know-How and Licensed Patents, in each case, as may be necessary or useful to: (a) perform its obligations under the Transition Services Agreement; (b) for purposes of publications or presentations, but, for clarity, not to Exploit any Transferred Product; (c) to provide services in the ordinary course of business other than in relation to the performance of diagnostic services directed to thyroid cancer or pancreatic cancer in a laboratory certified under CLIA; and (d) to provide services in connection with any Contract included in the Excluded Assets. Except as expressly granted herein or in the Asset Purchase Agreement with respect to the Licensed Patents and the Licensed Know-How, Seller grants no other right or license to any assets or rights, including intellectual property rights, of Seller and its Affiliates and its and their assigns and successors.

2.3 Sublicenses. Buyer shall have the right to grant sublicenses under the licenses granted in Section 2.1 through multiple tiers of Sublicensees; *provided* that Buyer shall (a) remain jointly and severally liable for the performance or non-performance of any such Sublicensee, and (b) provide to Seller a written notice setting forth in reasonable detail the nature of such sublicense and the identity of the Sublicensee, which written notice shall include a copy of any such sublicense agreement; *provided* that the financial terms of any such sublicense agreement may be redacted to the extent not pertinent to an understanding of either Party's obligations or benefits under this Agreement. Buyer hereby guarantees the performance of its Affiliates and permitted Sublicensees and the grant of any such sublicense shall not relieve Buyer of its obligations under this Agreement. A copy of any sublicense agreement executed by Buyer pursuant to this Section 2.2 (with financial terms redacted) shall be provided to Seller within 14 days after its execution by the parties thereto.

2.4 No Implied Rights. For the avoidance of doubt, Buyer and its Affiliates, licensees, Sublicensees and distributors shall have no right, express or implied, with respect to the Licensed Patents and the Licensed Know-How, except as expressly provided in Section 2.1 and elsewhere in this Agreement.

ARTICLE 3
LICENSED PATENTS

As between the Parties, (a) Seller shall have the sole and exclusive right, but not the obligation, to prosecute, maintain, and defend the Licensed Patents, at its sole cost and expense and (b) Seller shall have the first right, but not the obligation, to enforce the Licensed Patents, at its sole cost and expense and with the sole right to retain any recoveries with respect thereto; provided, that without limiting Seller's rights

under this clause (b), Seller shall consult with Buyer with respect to any enforcement of the Licensed Patents in the field of the diagnosis of thyroid cancer or pancreatic cancer and provided, further, that if Seller does not take commercially reasonably steps to enforce any of the Licensed Patents against an alleged infringer in the field of the diagnosis of thyroid cancer or pancreatic cancer and Buyer wishes to enforce any such Licensed Patent in the field of the diagnosis of thyroid cancer or pancreatic cancer, then Buyer shall so notify Seller and upon Seller's written consent (such consent not to be unreasonably withheld), Buyer may enforce such Licensed Patent in such field at its sole cost and expense and Seller shall, at Buyer's costs and expense, join such action as a party plaintiff if necessary to sustain jurisdiction or standing.

ARTICLE 4
CONFIDENTIALITY AND NON-DISCLOSURE

The rights and obligations of the Parties with respect to Confidential Information hereunder shall be governed by the terms of Section 4.4 of the Asset Purchase Agreement.

ARTICLE 5
DISCLAIMER OF WARRANTIES

BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN SECTION 3.1 OF THE ASSET PURCHASE AGREEMENT, SELLER HAS MADE NO REPRESENTATION OR WARRANTY WHATSOEVER AND BUYER HAS NOT RELIED ON ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, RELATED TO THE LICENSED Patents, THE Licensed Know-How OR THE TRANSACTIONS CONTEMPLATED HEREBY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY PROVIDED IN SECTION 3.1 OF THE ASSET PURCHASE AGREEMENT, BUYER IS LICENSING THE RIGHTS HEREUNDER ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY EXPRESS OR IMPLIED WARRANTIES, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, INCLUDING ANY WARRANTY OF QUALITY, FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, CONDITION OF THE LICENSED PATENTS OR LICENSED KNOW-HOW, AS TO THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF ANY PERSON OR AS TO ANY OTHER MATTER.

ARTICLE 6
TERM AND TERMINATION

6.1 Term. The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect until terminated in accordance with this 7 (such period, the "**Term**").

6.2 Mutual Agreement. This Agreement may be terminated upon the mutual written agreement of Buyer and Seller at any time.

6.3 Patent Challenge. If Buyer or any of its Affiliates or any of its or their respective (sub)licensees initiates (or in any way, directly or indirectly, aids any Third Party in initiating) a declaratory judgment action or similar action or claim that any Licensed Patent is invalid, unenforceable or not infringed by the Exploitation of any Pancreas Royalty Product or any Thyroid Royalty Product by or on behalf of Buyer or any of its Affiliates or any of its or their respective (sub)licensees, then Seller may terminate this Agreement immediately upon written notice to Buyer.

6.4 No Termination for Material Breach. For the avoidance of doubt, neither Party shall have the right to terminate this Agreement because of a material breach of this Agreement by the other Party. In the case

of a material breach of this Agreement by a Party, the other Party's remedies shall be limited to recovering of damages and equitable relief.

6.5 Consequences of Termination.

6.5.1 Termination of Agreement . Upon the termination of this Agreement pursuant to Section 6.2 or Section 6.3, all of the licenses granted by Seller to Buyer under ARTICLE 2, and any sublicenses related thereto entered into by Buyer as permitted hereunder, shall terminate in their entirety.

6.5.2 Accrued Rights. The termination of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination. Such termination shall not relieve a Party from obligations that are expressly indicated to survive the termination of this Agreement.

6.5.3 Survival. Without limiting the foregoing, Section 2.4, this Section 6.5, ARTICLE 4, ARTICLE 4, and ARTICLE 7 shall survive the termination of this Agreement for any reason.

ARTICLE 7
MISCELLANEOUS

7.1 Governing Law, Jurisdiction, Venue and Service.

7.1.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

7.1.3 Jurisdiction. Subject to Section 7.11, the Parties hereby irrevocably and unconditionally consent to the exclusive jurisdiction of the courts of the State of Delaware and the United States District Court for the District of Delaware for any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement, and agree not to commence any action, suit or proceeding (other than appeals therefrom) related thereto except in such courts. The Parties irrevocably and unconditionally waive their right to a jury trial.

7.1.4 Venue . The Parties further hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement in the courts of the State of Delaware or in the United States District Court for the District of Delaware, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

7.1.5 Service. Each Party further agrees that service of any process, summons, notice or document by registered mail to its address set forth in Section 7.2.2 shall be effective service of process for any action, suit or proceeding brought against it under this Agreement in any such court.

7.2 Notices.

7.2.1 Notice Requirements. Any notice, request, demand, waiver, consent, approval or other communication permitted or required under this Agreement (each, a "**Notice**") shall be in writing, shall refer specifically to this Agreement and shall be deemed given only if delivered by hand or sent by facsimile transmission (with transmission confirmed) or by internationally recognized overnight delivery service that maintains records of delivery, addressed to the Parties at their respective addresses specified in Section 7.2.2 or to such other address as the Party to whom notice is to be given may have provided to the other Party at least 10 days' prior to such address taking effect in accordance with this Section 7.2. Such Notice shall be deemed to have been received: (a) as of the date delivered by hand or by overnight registered mail, courier or express delivery service; or (b) on the day sent by facsimile provided that the

sender has received confirmation of transmission (by facsimile receipt confirmation or confirmation by telephone or email) prior to 6:00 p.m. Eastern Time on such day (and if confirmation is received after 6:00 p.m. Eastern Time, such Notice shall be deemed to have been delivered on the following Business Day). Any Notice delivered by facsimile shall be confirmed by a hard copy delivered promptly thereafter.

7.2.2 Address for Notice.

If to Seller, to:

Asuragen, Inc.
2150 Woodward St., Suite 100
Austin, Texas 78744
Facsimile: (512) 681-5201
Attention: Senior Vice President & General Counsel

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

Covington & Burling LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018-1405
Facsimile: (212) 841-1010
Attention: Jack S. Bodner
John A. Hurvitz

If to Buyer, to:

Interpace Diagnostics, LLC
Morris Corporate Center 1, Building A
300 Interpace Parkway
Parsippany, NJ 07054
Fax: 862-207-7810

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

Pepper Hamilton LLP
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103
Attention: Steven J. Abrams
Fax: 215-981-4750

7.3 No Benefit to Third Parties. The covenants and agreements set forth in this Agreement are for the sole benefit of the Parties and their successors and permitted assigns, and they shall not be construed as conferring any rights on any other Persons.

7.4 Waiver and Non-Exclusion of Remedies. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set

forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by any Party of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise. The rights and remedies provided herein are cumulative and do not exclude any other right or remedy provided by applicable law or otherwise available except as expressly set forth herein.

7.5 Expenses. Except as otherwise specified herein or in the Asset Purchase Agreement or in any other Ancillary Agreement, each Party shall bear any costs and expenses incurred by it with respect to the Transactions.

7.6 Assignment. Neither this Agreement nor either Party's rights or obligations hereunder may be assigned or delegated by such Party without the prior written consent of the other Party, and any attempted assignment or delegation of this Agreement or any of such rights or obligations by either Party without the prior written consent of the other Party shall be void and of no effect; *provided*, that either Party may assign or delegate any or all of its rights or obligations hereunder without the prior written consent of the other Party to an Affiliate or to a successor, whether in a merger, sale of stock, sale of assets or other similar transaction with respect to the business to which this Agreement relates. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and permitted assigns.

7.7 Amendment. This Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by both Parties.

7.8 Further Assurance. Each Party shall duly execute and deliver, or cause to be duly executed and delivered, such further instruments and do and cause to be done such further acts and things, including the filing of such assignments, agreements, documents and instruments, as may be necessary or as the other Party may reasonably request in connection with this Agreement or to carry out more effectively the provisions and purposes hereof, or to better assure and confirm unto such other Party its rights and remedies under this Agreement; *provided, however*, that the foregoing shall not impose any obligation on Seller to perform any acts for or deliver any instruments to Buyer beyond those specific activities set forth in the Transition Services Agreement.

7.9 Independent Contractors. In the exercise of their respective rights, and the performance of their respective obligations, under this Agreement, the Parties are, and shall remain, independent contractors. Nothing in this Agreement shall be construed to constitute the Parties as partners, joint venturers, or participants in a joint enterprise or undertaking, or to constitute either of the Parties as the agent of the other Party for any purpose whatsoever. Neither Party shall bind, or attempt to bind, the other Party to any contract or the performance of any other obligation, or represent to any Third Party that it is authorized to enter into any contract or binding obligation on behalf of the other Party.

7.10 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of either Party under this Agreement will not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and reasonably acceptable to the Parties.

7.11 Equitable Relief. The Parties agree that irreparable damage would occur 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 shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. Each Party hereby waives (a) any requirement that the other Party post a bond or other security as a condition for obtaining any such relief, and (b) any defenses in any action for specific performance, including the defense that a remedy at law would be adequate.

7.12 English Language. This Agreement shall be written and executed in, and all other communications under or in connection with this Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

7.13 Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of this Agreement.

7.14 Entire Agreement. This Agreement, together with the Schedules and Exhibits expressly contemplated hereby and attached hereto, the Asset Purchase Agreement and the other Ancillary Agreements, contain the entire agreement between the Parties with respect to the Transactions and supersede all prior agreements, understandings, promises and representations, whether written or oral, between the Parties with respect to the subject matter hereof. In the event of any inconsistency between any such Schedules and Exhibits and this Agreement, the terms of this Agreement shall govern.

7.15 Construction. Except where the context otherwise requires, wherever used, the singular includes the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word "or" is used in the inclusive sense (and/or). The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The term "including" as used herein does not limit the generality of any description preceding such term. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party. Unless otherwise specified or where the context otherwise requires, (a) references in this Agreement to any Article, Section, Schedule or Exhibit are references to such Article, Section, Schedule or Exhibit of this Agreement; (b) references in any Section to any clause are references to such clause of such Section; (c) "hereof," "hereto," "hereby," "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement; (d) references to a Person are also to its permitted successors and assigns; (e) references to a law include any amendment or modification to such law and any rules or regulations issued thereunder, in each case, as in effect at the relevant time of reference thereto; and (f) references to any agreement, instrument or other document in this Agreement refer to such agreement, instrument or other document as originally executed or, if subsequently amended, replaced or supplemented from time to time, as so amended, replaced or supplemented and in effect at the relevant time of reference thereto.

[*Signature page follows****]***

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

Asuragen, Inc.	**INTERPACE DIAGNOSTICS, LLC**
By:_____	By:
Name: _____	Name: _____
Title: _____	Title: _____

LICENSE AGREEMENT

By and between

Asuragen, Inc.

and

Interpace Diagnostics, LLC

Dated as of August 13, 2014

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LICENSE AGREEMENT

This License Agreement (this "**Agreement**") is made and entered into effective as of August 13, 2014 (the "**Effective Date**") by and between Asuragen, Inc., a corporation organized and existing under the laws of the State of Delaware ("**Seller**"), and Interpace Diagnostics, LLC, a Delaware limited liability company (" **Buyer**"). Seller and Buyer are sometimes referred herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Asset Purchase Agreement, dated as of August 13, 2014 (the "**Asset Purchase Agreement**"), pursuant to which Buyer is purchasing from Seller certain assets related

to the Transferred Products (as defined in the Asset Purchase Agreement);

WHEREAS, Seller and the Cancer Prevention and Research Institute of Texas (" **CPRIT**") are parties to that certain research grant agreement between CPRIT and Seller, dated June 1, 2012 ("**CPRIT Agreement**") pursuant to which CPRIT has provided certain funding assistance to Seller in order to enable Seller to carry out certain research with respect to next generation sequencing of DNA; and

WHEREAS, in connection with the Transactions (as defined in the Asset Purchase Agreement), Seller is required to grant a license to Buyer, and Buyer is required to take a license, under certain intellectual property developed by Seller pursuant to the CPRIT Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions hereinafter set forth and set forth in the Asset Purchase Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the meanings set forth in this Article 1 and capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed thereto in the Asset Purchase Agreement.

1. "**Agreement**" has the meaning set forth in the preamble hereto.
2. "**Asset Purchase Agreement**" has the meaning set forth in the recitals hereto.
3. "**Breaching Party**" has the meaning set forth in Section 7.2.
4. "**Buyer**" has the meaning set forth in the preamble hereto.
5. "**Commercial Product**" means anything that incorporates, is based on, utilizes or is developed from Project Results and is created by human or mechanical effort or by a natural process and that is capable of being sold, licensed, transferred or conveyed to another party or is capable of otherwise being Exploited or disposed of, whether in exchange for consideration or not, including without limitation any drug, chemical or biological compound, gene, nucleic acid or nucleic acid sequence, gene therapy, plant, machine, mechanical device, hardware, tool or computer program.
6. "**Commercial Services**" means any service performed that incorporates, is based on, utilizes or is developed from Project Results.
7. "**CPRIT**" has the meaning set forth in the recitals.
8. "**CPRIT Agreement**" has the meaning set forth in the recitals.
9. "**CPRIT Agreement Effective Date**" means June 1, 2012.
10. "**Effective Date**" has the meaning set forth in the preamble hereto.
11. "**Exploit**" means to make, have made, use, sell, offer to sell, import, export or otherwise dispose of, practice, copy, distribute, create derivative works of, publicly perform or publicly display.
12. "**Invoiced Sales**" has the meaning set forth in the definition of Net Sales.
13. "**Licensed Patents**" means those Patent Rights included within the Project Results that are owned by Seller or any of its Affiliates as of the Effective Date and that are set forth on Schedule 1.13.
14. "**Net Sales**" means the gross amount invoiced for Commercial Products and Commercial Services by Buyer, its Affiliates, and Sublicensees to Third Parties ("**Invoiced Sales**"), less deductions for: (a) trade, quantity or cash discounts, allowances and rebates (including, without limitation, promotional or similar allowances) actually allowed or given; (b) freight, postage, shipping, insurance and transportation expenses and similar charges (in each instance, if separately identified in such invoice); (c) credits or refunds actually allowed for rejections, defects or recalls of such Commercial Products, outdated or returned Commercial Products, or because of rebates or retroactive price reductions; (d) sales, value-added, excise taxes, tariffs and duties, and other taxes directly related to the sale, to the extent that such items

are included in the gross invoice price (but not including taxes assessed against the income derived from such sale) and (e) allowances or credits to third parties for returns, including allowances for uncollectable amounts and for the difference between the dollar amount invoiced by Buyer, its Affiliates, and Sublicensees for Invoiced Sales and the amount actually collected for Invoiced Sales.

15. "**Notice**" has the meaning set forth in Section 8.4.1.
16. "**Notice Period**" has the meaning set forth in Section 7.2.
17. "**Party**" and "**Parties**" each has the meaning set forth in the preamble hereto.
18. "**Project Results**" has the meaning set forth in the CPRIT Agreement.
19. "**Seller**" has the meaning set forth in the preamble hereto.
20. "**Sublicensee**" means a Third Party that is granted a sublicense by Buyer under the grant in Section 2.1, as provided in Section 2.3.
21. "**Term**" has the meaning set forth in Section 7.1.

ARTICLE 2
GRANT OF RIGHTS

2.1 Grants to Buyer. Subject to Sections 2.2 and 2.5, Seller (on behalf of itself and its Affiliates), hereby grants to Buyer and its Affiliates an exclusive (even as to Seller and its Affiliates), non-transferable (except as provided in Section 8.8), perpetual (except as provided in Section 7.4), royalty-bearing license, with the right to grant sublicenses in accordance with Section 2.3, under the Project Results to Exploit Commercial Products as diagnostic devices and perform Commercial Services with respect thereto, in each case, directed solely to thyroid cancer.

2.2 Retention of Rights. Notwithstanding anything to the contrary in this Agreement, Seller retains, on behalf of itself and its Affiliates all right, title and interest in and to the Project Results, in each case, (a) as may be necessary or useful to perform its obligations under the Transition Services Agreement, (b) for purposes of publications or presentations, but, for clarity, not to Exploit any Transferred Product; (c) to provide services in the ordinary course of business other than in relation to the performance of diagnostic services directed to thyroid cancer in a laboratory certified under CLIA; and (d) to provide services in connection with any Contract included in the Excluded Assets. Without limiting the foregoing, Buyer acknowledges and agrees that under the CPRIT Agreement Seller has granted CPRIT a non-exclusive, irrevocable, perpetual, royalty-free, worldwide license under the Institute-Funded IPR (as defined in the CPRIT Agreement) to Exploit all Project Results (including material embodiments thereof) for or on behalf of CPRIT and other governmental entities and agencies of the State of Texas for education, research and other non-commercial purposes only. Except as expressly granted herein or in the Asset Purchase Agreement or any other Ancillary Agreement, Seller grants no other right or license to any assets or rights, including intellectual property rights, of Seller and its Affiliates.

2.3 Sublicenses. Subject to Section 2.5, Buyer shall have the right to grant sublicenses under the license granted in Section 2.1 through multiple tiers of Sublicensees; *provided* that Buyer shall (a) remain jointly and severally liable for the performance or non-performance of any such Sublicensee, and (b) provide to Seller a written notice setting forth in reasonable detail the nature of such sublicense and the identity of the Sublicensee, which written notice shall include a copy of any such sublicense agreement; *provided* that the financial terms of any such sublicense agreement may be redacted to the extent not pertinent to an understanding of either Party's obligations or benefits under this Agreement. Buyer hereby guarantees the performance of its Affiliates and permitted Sublicensees and the grant of any such sublicense shall not relieve Buyer of its obligations under this Agreement, except to the extent such obligations are performed by such Sublicensee. A copy of any sublicense

agreement executed by Buyer pursuant to this Section 2.3 (with financial terms redacted) shall be provided to Seller within 14 days after its execution by the parties thereto.

2.4 No Implied Rights. For the avoidance of doubt, Buyer and its Affiliates, licensees, Sublicensees and distributors shall have no right, express or implied, with respect to the Project Results, except as expressly provided in Section 2.1, or any other intellectual property rights of Seller or any of its Affiliates.

2.5 Acknowledgement Relating to CPRIT Agreement. Buyer acknowledges and agrees that (a) this Agreement is subject to CPRIT's licenses, interests and other rights under the CPRIT Agreement and (b) to the extent that there is a conflict between the terms of this Agreement and the terms of the CPRIT Agreement, the terms of the CPRIT Agreement shall prevail.

ARTICLE 3
PAYMENT AND RECORDS

3.1 Royalty.

1. Buyer shall pay directly to CPRIT a royalty at the rate of 5% of Net Sales of the Commercial Products and the Commercial Services by Buyer, its Affiliates and Sublicensees; provided that (a) Buyer may reduce the royalty payable to CPRIT under this Section 3.1.1 on a dollar-for-dollar basis for each dollar that Buyer pays to a Third Party as royalties on the sale of Commercial Products or Commercials Services down to a floor of 1.5% of Net Sales and (b) royalties payable to CPRIT under this Section 3.1.1 shall be automatically and at the same time be reduced in the same proportion as there is any royalty reduction under Section D4.01 of the CPRIT Agreement.

2. Seller shall promptly inform Buyer of any adjustment in the royalty rates payable to CPRIT under the CPRIT Agreement.

3.2 Royalty Payments. All royalty payments owed by Buyer to CPRIT pursuant to Section 3.1 shall be made to CPRIT, and are payable on or before the 30th day following the end of the calendar quarter with respect to which such royalties relate.

3.3 Reporting Requirements. Each payment of royalties due to CPRIT pursuant to this ARTICLE 3 shall be accompanied by a statement specifying: (a) that the payment relates to grant number CP120017 under the CPRIT Agreement; (b) the fact that such payments relate to this Agreement; (c) the quantity of all sales of the Commercial Products and the Commercial Services by Buyer, its Affiliates and Sublicensees since the last payment; (d) the amount of Net Sales of the Commercial Products and the Commercial Services with respect to such sales identified in clause (c) above during the relevant period; and (d) a calculation of the amount of royalty due to CPRIT. In addition to the foregoing, Buyer shall provide to CPRIT, within 60 days of each anniversary of the CPRIT Agreement Effective Date, all information relating to the commercialization of the Commercial Products and the Commercial Services by or on behalf of Buyer, its Affiliates and Sublicensees substantially in the form of Exhibit A.

3.4 Records; Audits.

3.4.1 Buyer shall keep complete and accurate sales and commercialization-related records with respect to its or its Affiliates' or Sublicensees' sales of Commercial Products and performance of Commercial Services until the fourth anniversary of the date of the payment of the last royalty payment owed to CPRIT under this Agreement, in sufficient detail to permit CPRIT and Seller to confirm the accuracy of the statements delivered to CPRIT under Section 3.3 and the calculation of the royalties owed to

CPRIT under this Agreement.

3.4.2 Upon at least 15 days' advance written notice, Buyer shall permit CPRIT or Seller or its or their representatives or agents, at CPRIT's or Seller's expense, as applicable, to examine Buyer's records pursuant to Section 3.4.1 during regular business hours for the purpose of and to the extent necessary to verify Buyer's compliance with this ARTICLE 3. The rights of CPRIT and Seller under this Section 3.4.2 shall terminate on the fourth anniversary of the date of the payment of the last royalty payment owed to CPRIT under this Agreement. In the event that any such examination reveals an underpayment to CPRIT of greater than 5% of the amounts previously paid by Buyer to CPRIT, then Buyer shall reimburse CPRIT or Seller, as applicable, for the cost of such examination.

ARTICLE 4
LICENSED PATENTS

As between the Parties, (a) Seller shall have the sole and exclusive right, but not the obligation, to prosecute, maintain, and defend the Licensed Patents, at its sole cost and expense and (b) Seller shall have the first right, but not the obligation, to enforce the Licensed Patents, at its sole cost and expense and with the sole right to retain any recoveries with respect thereto; provided, that without limiting Seller's rights under this clause (b), Seller shall consult with Buyer with respect to any enforcement of the Licensed Patents in the field of the diagnosis of thyroid cancer or pancreatic cancer and provided, further, that if Seller does not take commercially reasonably steps to enforce any of the Licensed Patents against an alleged infringer in the field of the diagnosis of thyroid cancer or pancreatic cancer and Buyer wishes to enforce any such Licensed Patent in the field of the diagnosis of thyroid cancer or pancreatic cancer, then Buyer shall so notify Seller and upon Seller's written consent (such consent not to be unreasonably withheld), Buyer may enforce such Licensed Patent in such field at its sole cost and expense and Seller shall, at Buyer's costs and expense, join such action as a party plaintiff if necessary to sustain jurisdiction or standing.

5 CONFIDENTIALITY AND NON-DISCLOSURE

The rights and obligations of the Parties with respect to Confidential Information hereunder shall be governed by the terms of Section 4.4 of the Asset Purchase Agreement.

6 DISCLAIMER OF WARRANTIES

BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN SECTION 3.1 OF THE ASSET PURCHASE AGREEMENT, SELLER HAS MADE NO REPRESENTATION OR WARRANTY WHATSOEVER AND BUYER HAS NOT RELIED ON ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED RELATED TO THE Project Results OR THE TRANSACTIONS CONTEMPLATED HEREBY. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY PROVIDED IN SECTION 3.1 OF THE ASSET PURCHASE AGREEMENT, BUYER IS LICENSING THE RIGHTS HEREUNDER ON AN "AS IS, WHERE IS" BASIS WITHOUT ANY EXPRESS OR IMPLIED WARRANTIES, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, INCLUDING ANY WARRANTY OF QUALITY, THE FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, CONDITION OF THE ASSETS, AS TO THE NON-INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF ANY PERSON OR AS TO ANY OTHER MATTER.

ARTICLE 7
TERM AND TERMINATION

7.1 Term. The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect until terminated in accordance with this ARTICLE 7 (such period, the "**Term**").

7.2 Termination for Material Breach. In the event that either Party (the "**Breaching Party**") breaches any of its material obligations under this Agreement, the other Party may terminate this Agreement upon 30 days' prior written notice (such 30-day period, the "**Notice Period**") to the Breaching Party, specifying the breach and its claim of right to terminate; *provided*, that the termination of this Agreement shall not become effective at the end of the Notice Period if the Breaching Party cures such breach during the Notice Period. With respect to a breach of any of Buyer's material obligations under this Agreement that would permit Seller to terminate this Agreement pursuant to this Section 7.2, CPRIT shall have the right to enforce this provision directly and terminate this Agreement pursuant to the terms of this Section 7.2.

7.3 Mutual Agreement. This Agreement may be terminated upon the mutual written agreement of Buyer and Seller at any time.

7.4 Consequences of Termination.

7.4.1 Termination of Agreement. Upon the termination of this Agreement pursuant to Section 7.2 or 7.3, all of the licenses granted by Seller to Buyer under ARTICLE 2, and any sublicenses related thereto entered into by Buyer as permitted hereunder, shall terminate in their entirety.

7.4.2 Accrued Rights. The termination of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination. Such termination shall not relieve a Party from obligations that are expressly indicated to survive the termination of this Agreement.

7.4.3 Survival. Without limiting the foregoing, Sections 2.2, 2.4, 2.5, 3.4, this Section 7.4 and ARTICLE 5, ARTICLE 6, and ARTICLE 8 shall survive the termination of this Agreement for any reason.

ARTICLE 8
MISCELLANEOUS

8.1 Notice of Certain CPRIT Matters. Seller shall promptly provide Buyer with all copies in respect of matters under Part 5 of Attachment D to the CPRIT Agreement and any and all communications concerning allegations that Seller has or remains in breach of the CPRIT Agreement and any responses thereto. If Seller is required to transfer or exclusively license to CPRIT its rights in and to any of the Project Results pursuant to the terms of the CPRIT Agreement, then Seller shall cause CPRIT to grant Buyer a direct, exclusive (even as to CPRIT), royalty-bearing license, with the right to grant sublicenses through multiple tiers, under the applicable Project Results to exploit Commercial Products as diagnostic devices and perform Commercial Services with respect thereto, in each case, directed solely to thyroid cancer on the same financial terms as are set forth in the CPRIT Agreement.

8.2 Governing Law. This Agreement shall be construed and all disputes shall be considered in accordance with the laws of the State of Texas, without regard to its principles governing the conflict of laws.

8.3 CPRIT Dispute Resolution. Except as expressly set forth herein and subject to Section 8.12, any Dispute arising hereunder between CPRIT and Buyer shall be resolved in accordance with the procedures set forth in Sections 9.16 and 9.17 of the CPRIT Agreement.

8.4 Notices.

8.4.1 Notice Requirements. Any notice, request, demand, waiver, consent, approval or other communication permitted or required under this Agreement (each, a "**Notice**") shall be in writing, shall refer specifically to this Agreement and shall be deemed given only if delivered by hand or sent by facsimile transmission (with transmission confirmed) or by internationally recognized overnight delivery service that maintains records of delivery, addressed to the Parties at their respective addresses specified in Section 8.4.2 or to such other address as the Party to whom notice is to be given may have provided to the other Party at least 10 days' prior to such address taking effect in accordance with this Section 8.4. Such Notice shall be deemed to have been given as of the date delivered by hand or internationally recognized overnight delivery service or confirmed that it was received by facsimile (with receipt confirmed by telephone or email). Any Notice delivered by facsimile shall be confirmed by a hard copy delivered as soon as practicable thereafter.

8.4.2 Address for Notice.

If to Seller, to:

Asuragen, Inc.
2150 Woodward St., Suite 100
Austin, Texas 78744
Facsimile: (512) 681-5201
Attention: Senior Vice President & General Counsel

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

Covington & Burling LLP
The New York Times Building
620 Eighth Avenue

New York, NY 10018-1405
Facsimile: (212) 841-1010
Attention: Jack S. Bodner
John A. Hurvitz

If to Buyer, to:

Interpace Diagnostics LLC
Morris Corporate Center 1, Building A
300 Interpace Parkway
Parsippany, NJ 07054
Fax: 862-207-7810

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

Pepper Hamilton LLP
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103
Attention: Steven J. Abrams
Fax: 215-981-4750

8.5 No Benefit to Third Parties.

8.5.1 This Agreement is intended, and shall be construed, to confer rights and remedies on CPRIT as a third party beneficiary with respect to all rights and remedies afforded to CPRIT hereunder. CPRIT shall have the right to enforce any and all such rights and remedies directly.

8.5.2 Except as set forth in Section 8.5.1 with respect to CPRIT, the covenants and agreements set forth in this Agreement are for the sole benefit of the Parties and their successors and permitted assigns, and they shall not be construed as conferring any rights on any other Persons.

8.6 Waiver and Non-Exclusion of Remedies. Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by any Party of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise. The rights and remedies provided herein are cumulative and do not exclude any other right or remedy provided by applicable law or otherwise available except as expressly set forth herein.

8.7 Expenses. Except as otherwise specified herein or in the Asset Purchase Agreement or in any other Ancillary Agreement, each Party shall bear any costs and expenses incurred by it with respect to the transactions contemplated herein.

8.8 Assignment. Neither this Agreement nor either Party's rights or obligations hereunder may be assigned or delegated by such Party without the prior written consent of the other Party, and any attempted assignment or delegation of this Agreement or any of such rights or obligations by either Party without the prior written consent of the other Party shall be void and of no effect; provided,

that either Party may assign or delegate any or all of its rights or obligations hereunder to an Affiliate or to a successor, whether in a merger, sale of stock, sale of assets or other similar transaction with respect to the business to which this Agreement relates without the prior written consent of the other Party. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and permitted assigns.

8.9 Amendment. This Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by both Parties.

8.10 Independent Contractors. In the exercise of their respective rights, and the performance of their respective obligations, under this Agreement, the Parties are, and shall remain, independent contractors. Nothing in this Agreement shall be construed to constitute the Parties as partners, joint venturers, or participants in a joint enterprise or undertaking, or to constitute either of the Parties as the agent of the other Party for any purpose whatsoever. Neither Party shall bind, or attempt to bind, the other Party to any contract or the performance of any other obligation, or represent to any Third Party that it is authorized to enter into any contract or binding obligation on behalf of the other Party.

8.11 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of either Party under this Agreement will not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and reasonably acceptable to the Parties.

8.12 Equitable Relief. The Parties agree that irreparable damage would occur 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 shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. Each Party hereby waives (a) any requirement that the other Party post a bond or other security as a condition for obtaining any such relief, and (b) any defenses in any action for specific performance, including the defense that a remedy at law would be adequate.

8.13 English Language. This Agreement shall be written and executed in, and all other communications under or in connection with this Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

8.14 Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of this Agreement.

8.15 Entire Agreement. This Agreement, together with the Schedules and Exhibits expressly contemplated hereby and attached hereto, the Asset Purchase Agreement and the other Ancillary Agreements, contain the entire agreement between the Parties with respect to the transactions contemplated hereby and supersede all prior agreements, understandings, promises and representations, whether written or oral, between the Parties with respect to the subject matter hereof. In the event of any inconsistency between any such Schedules and Exhibits and this Agreement, the terms of this Agreement shall govern.

8.16 Construction. Except where the context otherwise requires, wherever used, the singular includes the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word "or" is used in the inclusive sense (and/or). The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The term "including" as used herein does not limit the generality of any description preceding such term. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party. Unless otherwise specified or where the context otherwise requires, (a) references in this Agreement to any Article, Section, Schedule or Exhibit are references to such Article, Section, Schedule or Exhibit of this Agreement; (b) references in any Section to any clause are references to such clause of such Section; (c) "hereof," "hereto," "hereby," "herein" and "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement; (d) references to a Person are also to its permitted successors and assigns; (e) references to a law include any amendment or modification to such law and any rules or regulations issued thereunder, in each case, as in effect at the relevant time of reference thereto; (f) references to any agreement, instrument or other document in this Agreement refer to such agreement, instrument or other document as originally executed or, if subsequently amended, replaced or supplemented from time to time, as so amended, replaced or supplemented and in effect at the relevant time of reference thereto; and (g) references to monetary amounts are denominated in United States Dollars.

[*Signature page follows****]***

[Signature Page to CPRIT License Agreement **]**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

Asuragen, Inc. **Interpace Diagnostics, LLC**

By:_____ By:

Name: _____ Name: _____

Title: _____ Title: _____

Schedule 1.13

Licensed Patents

Asuragen Ref.	App. No. Patent No.	Filing Date Issue Date	Title	Country
10256.6011-00000	62/003,450 NA	05/27/2014 NA	**Compositions, Methods, and uses related to NTRK2-TERT Fusions**	**US Provisional**

Exhibit A

Form of Annual Commercialization Report

Licensee_____

Period_____

1. Product and Services Commercialization (complete for each product and service/reporting period)
    a. Date of first sale
    b. Reporting period (from and to)
    c. Total number of tests reported in the period
    d. Total amount billed
    e. Total reimbursement
    f. Total CPRIT royalty due
2. Commercialization Plan: Address the following items:
    a. Describe commercialization efforts in the current period and/or planned for future periods to market and expand adoption of the test. Please indicate any change in sales force, territories, or other new initiatives undertaken or planned.
    b. Describe any changes in competition, medical practice, or reimbursement that have affected or may affect the market for the test.
    c. Describe any operational issues that may affect the performance or marketing of the test.

SUPPLY AGREEMENT

by and between

Asuragen, Inc.

and

Interpace Diagnostics, LLC

Dated as of August 13, 2014

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SUPPLY AGREEMENT

This Supply Agreement (this "**Agreement**") is made and entered into effective as of August 13, 2014 (the "**Effective Date**") by and between Asuragen, Inc., a corporation organized and existing under the laws of the State of Delaware ("**Seller**"), and Interpace Diagnostics, LLC, a limited liability company organized and existing under the laws of the State of Delaware ("**Buyer**"). Seller and Buyer are sometimes referred herein individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

WHEREAS, Seller and **Buyer** are parties to that certain Asset Purchase Agreement, dated as of the Effective Date (the "**Asset Purchase Agreement**"), pursuant to which Buyer is purchasing from Seller certain assets related to the Transferred Products (as defined in the Asset Purchase Agreement); and

WHEREAS, in connection with the Transactions (as defined in the Asset Purchase Agreement), Seller is willing to supply to Buyer, and Buyer desires to purchase from Seller, quantities of Seller's cellular RNA preservation solution RNA*Retain*® in bulk form (the " **Product**") for use solely in connection with the Royalty Products (as defined in the Asset Purchase Agreement).

NOW, THEREFORE, in consideration of the premises and the mutual promises and conditions hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1
DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the meanings set forth in this Article 1 and capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed thereto in the Asset Purchase Agreement.

1.1 "**Agreement**" has the meaning set forth in the preamble hereto.

1.2 "**Asset Purchase Agreement**" has the meaning set forth in the first recital hereto.

1.3 "**Breaching Party**" has the meaning set forth in Section 7.2.1.

1.4 "**Buyer**" has the meaning set forth in the preamble hereto.

1.5 **"Buyer Indemnitees"** has the meaning set forth in Section 6.2.

1.6 "**CEDRA**" has the meaning set forth in Section 4.3.

1.7 "**Complaining Party**" has the meaning set forth in Section 7.2.1.

1.8 "**Dollars**" or "**$**" means United States dollars.

1.9 "**Effective Date**" has the meaning set forth in the preamble hereto.

1.10 "**Forecast**" has the meaning set forth in Section 2.2.

1.11 "**Losses**" has the meaning set forth in Section 6.1.

1.12 "**Initial Term**" has the meaning set forth in Section 7.1.

1.13 "**Non-Conforming Product**" has the meaning set forth in Section 4.2.

1.14 "**Notice Period**" has the meaning set forth in Section 7.2.1.

1.15 "**Renewal Period**" has the meaning set forth in Section 7.1.

1.16 "**Party**" and "**Parties**" each has the meaning set forth in the preamble hereto.

1.17 "**PPI**" means the Producer Price Index for Finished Goods, Pharmaceutical Preparations, as it appears in the periodical PPI Detailed Report as published by the Bureau of Labor Statistics of the United States Department of Labor and using the latest version of data published as of the date of adjustment.

1.18 "**Product**" has the meaning set forth the recitals hereto.

1.19 "**Product Price**" has the meaning set forth in Section 3.1.

1.20 "**Purchase Order**" means a written purchase order in a form reasonably acceptable to Seller that sets forth, with respect to the period covered thereby, (a) the quantity of the Product to be delivered by Seller to Buyer and (b) the requested delivery dates therefor.

1.21 "**Seller**" has the meaning set forth in the preamble hereto.

1.22 "**Seller Indemnitees**" has the meaning set forth in Section 6.1.

1.23 "**Specifications**" means the written specifications (including labeling specifications) and quality control testing procedures for the Product set forth on Schedule 1.23, as amended or supplemented in accordance with Section 2.8.

1.24 "**Term**" means the Initial Term, together with any Renewal Period.

1.25 "**Third Party Claim**" has the meaning set forth in Section 6.1.

ARTICLE 1
MANUFACTURE, PURCHASE AND SALE OF PRODUCT

2.1 **Supply** Supply**.** Subject to the terms and conditions of this Agreement, during the Term, Seller agrees to manufacture and sell to Buyer, and Buyer agrees to purchase from Seller, all of

Buyer's requirements of Product.

2.2 **Forecasts.** Within 30 days after the Effective Date Buyer shall provide Seller with a written good faith forecast estimating Buyer's requirement of Product (in milliliters) for the following calendar quarter and each of the succeeding three calendar quarters thereafter on a monthly basis. Thereafter, not later than 30 days prior to the commencement of each subsequent calendar quarter during the Term, Buyer shall provide Seller with a rolling four-calendar quarter forecast for the quantity of Buyer's requirements for Product during such 4-calendar quarter period (or the period until the expiration of the Term, if shorter) on a monthly basis (each such four-calendar period forecast, a "**Forecast**"). Each Forecast shall not be binding on either Party. Only a Purchase Order issued by Buyer constitutes a firm commitment by Buyer to purchase Product.

2.3 **Purchase Orders**

2.3.1 At least 90 days prior to the requested delivery date, Buyer shall submit to Seller via email (orders@asuragen.com) a Purchase Order for the Product to be delivered to Buyer on such date; *provided*, that (a) the Parties shall agree upon the initial Purchase Order within 30 days after the Effective Date and (b) in no event shall the quantity of the Product specified in any Purchase Order be less than 10,000 mL. Subject to Section 2.3.2, the Purchase Orders shall state the requested delivery date for each such shipment and shall specify the required quantities.

2.3.2 Subject to the terms hereof, Seller shall accept each submitted Purchase Order that complies with this Section 2.3 and Seller shall be obligated to manufacture and deliver the specified quantity of the Product in accordance with the delivery schedule set forth in each accepted Purchase Order; *provided* that if Seller delivers at least 95% of the quantity of the Product set forth in a Purchase Order within five days of the requested delivery date set forth therein, Seller shall be deemed to have fully performed its obligations with respect to such Purchase Order. If the quantity of the Product delivered by Seller differs from the quantity requested in the applicable Purchase Order, Buyer shall pay Seller for the quantity of the Product delivered rather than the quantity requested in the Purchase Order to the extent that the quantity delivered is not more than 100% of the quantity requested in the Purchase Order.

2.4 Delivery. Seller shall deliver the quantities of the Product set forth in each Purchase Order within five days of the delivery date requested therein, at Seller's facility in the United States at 2150 Woodward St., Austin, Texas 78744, on an EXW basis (as defined in Incoterms 2010). Title to, and risk of, loss of the Product purchased by Buyer shall pass to Buyer on such delivery. On request of Buyer, Seller will arrange for shipment of the Product to Buyer in accordance with Buyer's instructions and add the shipping and insurance costs to Seller's invoice for the Product so shipped.

2.5 **Specification Changes.** Seller shall make no changes to the Specifications for the Product except with Buyer's consent in its sole discretion.

2.6 **Use of the Product.** Buyer shall, and shall cause its Affiliates to, use the Product solely in connection with the Royalty Products and shall not, and shall cause its

Affiliates not to, use the Product in connection with any other diagnostic products.

2.7 **Seller Subcontracting of Manufacture and Supply.** During the Term, Seller shall be entitled, at any time, to subcontract to a Third Party its obligations to manufacture and supply the Product under this Agreement; *provided* that (a) Seller shall bear all costs related to subcontracting to such Third Party and (b) such Third Party shall manufacture and supply the Product in accordance with the terms and conditions of this Agreement.

ARTICLE 2
PRICING AND PAYMENT

3.1 **Product Price.** The purchase price for the Product (the "**Product Price**") payable to Seller by Buyer initially shall be $4 per mL for all deliveries of the Product made during the period beginning on the Effective Date and ending December 31, 2015. On January 1, 2016 and each January 1 thereafter during the Term, the Product Price shall be subject to adjustments by Seller for inflation by a percentage less than or equal to the percentage increase in the PPI for the immediately preceding 12-month period.

3.2 **Payment.**

3.2.1 Invoicing. Seller promptly shall invoice Buyer the then-applicable Product Price for the Product after each delivery of the Product hereunder.

3.2.2 Terms. All payments to Seller under this Agreement shall be (a) paid in full by Buyer, without any deduction or set-off for claims under the Asset Purchase Agreement or any Ancillary Agreement (other than this Agreement), within 30 days from the date of invoice and (b) made by wire transfer of immediately available funds to such bank account or accounts as Seller may from time to time designate by written notice to Buyer. If Buyer shall fail to make any payment pursuant to this Agreement when due, any such late payment shall bear interest, to the extent not prohibited by Law, at a per annum rate equal to the U.S. Prime Rate, as reported in The Wall Street Journal, Eastern Edition, for the first date on which such payment was delinquent, plus 2.0%, beginning on the first date on which such payment was delinquent and ending on the date on which such payment is made, calculated based on the actual number of days such payment is overdue.

3.2.3 Default. With respect to defaults of payment not cured within 30 days after receipt of written notice from Seller to Buyer, Seller shall, in its sole discretion, and without prejudice to any other of its accrued rights, be entitled to suspend the provision of the Product, which suspension shall not result in or constitute a breach of any of Seller's obligations under this Agreement.

ARTICLE 4
QUALITY AND REGULATORY MATTERS

4.1 **Quality Warranty.**

4.1.1 Seller Warranty. Seller warrants that (a) it will manufacture the Product in accordance with Specifications, FDA QSR (21 CFR 820), and ISO 13485, (b) all

Product will meet Specifications at the time of delivery to Buyer, and (c) all Product will have a shelf life of at least twelve (12) months at the time of delivery to Buyer and (d) Buyer will acquire good title to the Product at the time of delivery to Buyer, free and clear of all Encumbrances. Seller shall deliver a certificate of analysis with respect to each delivery of Product that sets forth the items tested, the test results and demonstrating compliance with Specifications. Buyer is responsible for establishing appropriate performance characteristics for downstream applications using Product.

4.1.2 Exclusion of Other Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SELLER MAKES NO WARRANTY IN RESPECT OF THE PRODUCT SUPPLIED HEREUNDER, WHETHER EXPRESS OR IMPLIED BY STATUTE, CUSTOM OF THE TRADE OR OTHERWISE, INCLUDING ANY WARRANTY RELATING TO THE DESCRIPTION OR QUALITY OF THE PRODUCT, ITS MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE UNDER ANY CONDITIONS, AND ANY SUCH WARRANTY IS HEREBY EXCLUDED.

4.2 **Rejection of Products.** Within 30 days after Buyer's receipt thereof, Buyer may reject any Product supplied hereunder that at the time of delivery does not conform to the warranties set forth in Section 4.1.1 ("**Non-Conforming Product**"), *provided* that such Non-Conforming Product. Buyer shall provide written notice to Seller specifying the reason for such rejection. For the avoidance of doubt, Non-Conforming Product shall not include any Product that has become non-conforming due, in whole or in part, to any failure by the carrier or Buyer or its agents or representatives to handle, maintain, operate, or store such Product as required by the labeling or the Specifications.

4.3 **Product Return/Replacement.** At the request of Seller, Buyer shall return the Non-Conforming Product, or a representative sample thereof, to Seller for testing. Should such test results reasonably confirm the Product is Non-Conforming Product, Buyer shall return said Non-Conforming Product quantities to Seller's office at Seller's expense, and Seller shall send conforming replacement Product to Buyer at no additional cost to Buyer. Seller shall ship such conforming Product within 45 days of such confirming test results. Should such test results fail to confirm the non-conformance of the Product with the Specifications, and should the Parties fail to otherwise resolve the dispute, the Parties shall submit the Product, or a representative sample thereof, along with a reference batch that has previously been shown by Buyer to conform to the Specifications, to a mutually acceptable independent laboratory along with the test protocols described in the Specifications and mutually agreeable interrogatories to be answered by such laboratory. If such independent laboratory is not appointed within 14 days after one of the Parties has indicated to desire such appointment, CEDRA Corporation (www.cedracorp.com, 8605 Cross Park Drive, Austin, Texas 78754) ("**CEDRA**") will be appointed. If CEDRA is unable to perform the services required to resolve the Product's conformance or non-conformance to the Specifications, the Parties will agree to CEDRA's recommendation for an alternate independent laboratory. The determination of the Product's conformance or non-conformance to the Specifications by such independent laboratory shall be binding upon the Parties. If the laboratory determines that the Product conforms to the Specifications, Buyer shall pay all independent laboratory and shipping costs incurred by Seller, and should such laboratory confirm that the Product is Non-Conforming Product, Seller shall pay all shipping and independent laboratory costs incurred by Buyer. Sections 4.3 and 4.4 shall be

the sole remedies available to Buyer for Non-Conforming Product.

4.4 **Product Recall**. If Buyer is required by any Governmental Authority to effect a recall of Product in the field because of the Product being Non-Conforming Product, Seller shall reimburse Buyer for the documented out-of-pocket costs incurred in such recall, such as cost of communications to customers, shipping of recalled Product and disposal thereof and shipping of conforming Product back to customers.

ARTICLE 5
CONFIDENTIALITY

5.1 **Confidentiality Obligations.** The rights and obligations of the Parties with respect to Confidential Information shall be governed by the terms of Section 4.4 of the Asset Purchase Agreement.

ARTICLE 6
LIMITATION OF LIABILITY, INDEMNIFICATION AND INSURANCE

6.1 **Indemnification of Seller.** Buyer shall indemnify, defend and hold harmless Seller, its Affiliates and its and their respective directors, officers, employees, and agents (the "**Seller Indemnitees**") from and against any and all losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) (collectively, "**Losses**") in connection with any and all suits, investigations, claims or demands of Third Parties (collectively, " **Third Party Claims**") arising out of or related to any breach of this Agreement by Buyer, including any use of the Product by any Buyer Indemnitee, except to the extent any such Loss arises out of or is related to any breach of this Agreement by Seller including any breach by Seller of its representations or warranties or a failure by Seller to comply with or perform any covenants hereunder or any claim that the Product or its use with the Royalty Products infringes or misappropriates any Third Party's proprietary or intellectual property rights.

6.2 **Indemnification of Buyer.** Seller shall indemnify, defend and hold harmless Buyer, its Affiliates and its and their respective directors, officers, employees, and agents (the "**Buyer Indemnitees**") from and against any and all Losses in connection with any and all Third Party Claims arising out of or related to any claim that the Product or its use with the Royalty Products infringes or misappropriates any Third Party's proprietary or intellectual property rights.

6.3 **Indemnification Procedures.** The foregoing indemnification by each Party shall be subject to the following: (a) The indemnified Party must promptly notify the other Party in writing of the claim; provided that the failure to so notify the indemnifying Party shall not relieve the indemnifying Party of any liability it may have to the indemnified Party hereunder except to the extent the indemnifying Party has been materially prejudiced thereby; (b) the indemnifying Party is entitled to sole control of the defense and all related settlement negotiations with respect to the Third Party Claim, provided, however, that the indemnified Party shall have the right, but not the obligation, to participate at its expense in the defense of any such Third Party Claim through counsel of its own choosing and the indemnified Party shall have the

right to consent to any proposed settlement, such consent not to be unreasonably withheld, delayed or conditioned; and (c) the indemnified Party shall reasonably cooperate in the defense and settlement of such Third Party Claim.

6.4 **Limitation on Damages and Liability.**

6.4.1 EXCEPT IN CIRCUMSTANCES OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT BY A PARTY OR ITS AFFILIATES, LICENSEES, SUBLICENSEES OR DISTRIBUTORS, OR THE KNOWING AND MATERIAL BREACH OR ABANDONMENT BY A PARTY OF THIS AGREEMENT, AND WITHOUT LIMITING SELLER'S RIGHTS UNDER SECTIONS 6.1 AND 6.2 WITH RESPECT TO THIRD PARTY CLAIMS, NEITHER PARTY NOR ANY OF ITS AFFILIATES SHALL BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR FOR LOST PROFITS, WHETHER IN CONTRACT, WARRANTY, NEGLIGENCE, TORT, STRICT LIABILITY OR OTHERWISE, ARISING OUT OF ANY BREACH OF OR FAILURE TO PERFORM ANY OF THE PROVISIONS OF THIS AGREEMENT.

6.4.2 EXCEPT IN CIRCUMSTANCES OF GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR THE KNOWING AND MATERIAL BREACH OR ABANDONMENT OF THIS AGREEMENT, SELLER SHALL NOT BE LIABLE TO BUYER FOR ANY CLAIM FOR DAMAGES (WHETHER GROUNDED IN CONTRACT, TORT OR OTHERWISE) IN AN AGGREGATE AMOUNT GREATER THAN THE PRODUCT PRICE FOR THE PRODUCT RECEIVED BY SELLER UNDER THIS AGREEMENT (AND FOR CLARITY, EXCLUDING ANY AMOUNTS PAYABLE BY BUYER TO SELLER UNDER THE ASSET PURCHASE AGREEMENT).

ARTICLE 7
TERM AND TERMINATION

7.1 **Term.** Unless earlier terminated in accordance with the terms of this Agreement, this Agreement shall commence as of the Effective Date and shall continue until the completion of the Royalty Term for all Royalty Products (the "**Initial Term**") and shall thereafter automatically renew for successive 12-month periods (each, a "**Renewal Period**") unless either Party provides the other Party with written notice of non-renewal at least 12 months prior to the beginning of the next Renewal Period.

7.2 **Early Termination by Either Party.** Either Party may terminate this Agreement as follows:

7.2.1 In the event that either Party (the " **Breaching Party**") breaches any of its material obligations under this Agreement, in addition to any other right and remedy the other Party (the "**Complaining Party**") may have, the Complaining Party may terminate this Agreement in its entirety upon 60 days' prior written notice (the "**Notice Period**") to the Breaching Party, specifying the breach and its claim of right to terminate; *provided* always that the termination shall not become effective at the end of the Notice Period if the Breaching Party cures the breach complained about during the Notice Period (or, if such default cannot be cured within such 60-day period, if the Breaching Party commences actions to cure such default within

the Notice Period and thereafter diligently continues such actions, except in the case of a payment default, as to which the Breaching Party shall have only a 30-day cure period).

7.2.2 Either Party may terminate this Agreement immediately upon written notice to the other Party if the other Party: (a) files in any court or with any Governmental Authority, pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of that Party or of its assets; (b) proposes a written agreement of composition or extension of its debts; (c) is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition is not dismissed within 60 days after the filing thereof; (d) consents to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of such Party or for any substantial part of its property or makes any assignment for the benefit of creditors; (e) admits in writing its inability to pay its debts generally as they become due; or (f) has issued or levied against its property any judgment, writ, warrant of attachment or execution or similar process that represents a substantial portion of its property.

7.3 **Consequences of Termination.** Upon the expiration or earlier termination of this Agreement, all unfilled Purchase Orders shall be filled in accordance with this Agreement except that if this Agreement is terminated by Buyer pursuant to Section 7.2.1 or Section 7.2.2, Buyer shall have the option to terminate the unfilled Purchase Orders without liability to Seller.

7.4 **Remedies.** Except as otherwise expressly provided herein, termination of this Agreement in accordance with the provisions hereof shall not limit remedies that may otherwise be available in law or equity.

7.5 **Accrued Rights; Surviving Obligations.**

7.5.1 Accrued Rights. Termination or expiration of this Agreement for any reason shall be without prejudice to any rights that shall have accrued to the benefit of a Party prior to such termination or expiration, including all amounts outstanding and remaining to be paid for Product delivered prior to the expiration or termination. Such termination or expiration shall not relieve a Party from obligations that are expressly indicated to survive the termination or expiration of this Agreement.

7.5.2 Survival. Without limiting the foregoing, Section 2.6, Section 4.1.2, Section 7.4, Section 7.5, Article 5, Article 6 and Article 8 shall survive the termination or expiration of this Agreement for any reason.

ARTICLE 8
MISCELLANEOUS

8.1 **Force Majeure.** Neither Party shall be held liable or responsible to the other Party or be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement (other than an obligation to make payments) when such failure or delay is caused by or results from events beyond the reasonable control of the non-performing Party, including fires, floods, earthquakes, hurricanes, embargoes, shortages, epidemics or pandemics, quarantines, war, acts of war (whether war be declared or

not), terrorist acts, insurrections, riots, civil commotion, strikes, lockouts or other labor disturbances (whether involving the workforce of the non-performing Party or of any other Person), acts of God or acts, omissions or delays in acting by any Governmental Authority. The non-performing Party shall notify the other Party of such force majeure within 15 days after such occurrence by giving written notice to the other Party stating the nature of the event, its anticipated duration, and any action being taken to avoid or minimize its effect. The suspension of performance shall be of no greater scope and no longer duration than is necessary and the non-performing Party shall use commercially reasonable efforts to remedy its inability to perform.

8.2 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, and if the rights or obligations of either Party under this Agreement will not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and reasonably acceptable to the Parties.

8.3 **Governing Law, Jurisdiction, Venue and Service.**

8.3.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

8.3.2 Jurisdiction. Subject to Section 8.11, the Parties hereby irrevocably and unconditionally consent to the exclusive jurisdiction of the courts of the State of Delaware and the United States District Court for the District of Delaware for any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement, and agree not to commence any action, suit or proceeding (other than appeals therefrom) related thereto except in such courts. The Parties irrevocably and unconditionally waive their right to a jury trial.

8.3.3 Venue. The Parties further hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding (other than appeals therefrom) arising out of or relating to this Agreement in the courts of the State of Delaware or in the United States District Court for the District of Delaware, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

8.3.4 Service. Each Party further agrees that service of any process, summons, notice or document by registered mail to its address set forth in Section 8.4.2 shall be effective service of process for any action, suit or proceeding brought against it under this Agreement in any such court.

8.4 **Notices.**

8.4.1 Notice Requirements. Except as otherwise provided in Section 2.3.1, any notice, request, demand, waiver, consent, approval or other communication permitted or required under this Agreement (each, a "**Notice**") shall be in writing, shall refer specifically to this Agreement and shall be deemed given only if delivered by hand or sent by facsimile transmission (with transmission confirmed) or by internationally recognized overnight delivery service that maintains records of delivery, addressed to the Parties at their respective addresses specified in Section 8.4.2 or to such other address as the Party to whom notice is to be given may have provided to the other Party at least 10 days prior to such address taking effect in accordance with this Section 8.4. Such Notice shall be deemed to have been received: (a) as of the date delivered by hand or by overnight registered mail, courier or express delivery service; or (b) on the day sent by facsimile provided that the sender has received confirmation of transmission (by facsimile receipt confirmation or confirmation by telephone or email) prior to 6:00 p.m. Eastern Time on such day (and if confirmation is received after 6:00 p.m. Eastern Time, such Notice shall be deemed to have been delivered on the following Business Day). Any Notice delivered by facsimile shall be confirmed by a hard copy delivered promptly thereafter.

8.4.2 Address for Notice.

If to Seller, to:

Asuragen, Inc.
2150 Woodward St., Suite 100
Austin, Texas 78744
Facsimile: (512) 681 5201
Attention: Senior Vice President & General Counsel

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

Covington & Burling LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018-1405
Facsimile: (212) 841-1010
Attention: Jack S. Bodner
John A. Hurvitz

If to Buyer, to:

Interpace Diagnostics, LLC
Morris Corporate Center 1, Building A
300 Interpace Parkway
Parsippany, NJ 07054
Fax: 862-207-7810

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

Pepper Hamilton LLP
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103
Attention: Steven J. Abrams
Fax: 215-981-4750

8.5 **No Benefit to Third Parties.** The covenants and agreements set forth in this Agreement are for the sole benefit of the Parties and their successors and permitted assigns, and they shall not be construed as conferring any rights on any other Persons.

8.6 **Waiver and Non-Exclusion of Remedies.** Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. The waiver by any Party of any right hereunder or of the failure to perform or of a breach by the other Party shall not be deemed a waiver of any other right hereunder or of any other breach or failure by said other Party whether of a similar nature or otherwise. The rights and remedies provided herein are cumulative and do not exclude any other right or remedy provided by applicable law or otherwise available except as expressly set forth herein.

8.7 **Expenses.** Except as otherwise specified herein or in the Asset Purchase Agreement or in any other Ancillary Agreement, each Party shall bear any costs and expenses incurred by it with respect to the Transactions.

8.8 **Assignment.** Neither this Agreement nor either Party's rights or obligations hereunder may be assigned or delegated by such Party without the prior written consent of the other Party, and any attempted assignment or delegation of this Agreement or any of such rights or obligations by either Party without the prior written consent of the other Party shall be void and of no effect; *provided*, that either Party may assign or delegate any or all of its rights or obligations hereunder without the prior written consent of the other Party to an Affiliate or to a successor, whether in a merger, sale of stock, sale of assets or other similar transaction with respect to the business to which this Agreement relates. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and permitted assigns.

8.9 **Amendment.** This Agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by both Parties.

8.10 **Independent Contractors.** In the exercise of their respective rights, and the performance of their respective obligations, under this Agreement, the Parties are, and shall remain, independent contractors. Nothing in this Agreement shall be construed to constitute the Parties as partners, joint venturers, or participants in a joint enterprise or undertaking, or to constitute either of the Parties as the agent of the other Party for any purpose whatsoever. Neither Party shall bind, or attempt to bind, the other Party to any contract or the performance of any other obligation, or represent to any Third Party that it is authorized to enter into any

contract or binding obligation on behalf of the other Party.

8.11 **Equitable Relief.** The Parties agree that irreparable damage would occur 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 shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity. Each Party hereby waives (a) any requirement that the other Party post a bond or other security as a condition for obtaining any such relief, and (b) any defenses in any action for specific performance, including the defense that a remedy at law would be adequate.

8.12 **English Language.** This Agreement shall be written and executed in, and all other communications under or in connection with this Agreement shall be in, the English language. Any translation into any other language shall not be an official version thereof, and in the event of any conflict in interpretation between the English version and such translation, the English version shall control.

8.13 **Counterparts.** This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed original counterpart of this Agreement.

8.14 **Entire Agreement.** This Agreement, together with the Schedules and Exhibits expressly contemplated hereby and attached hereto, the Asset Purchase Agreement and the other Ancillary Agreements, contain the entire agreement between the Parties with respect to the Transactions and supersede all prior agreements, understandings, promises and representations, whether written or oral, between the Parties with respect to the subject matter hereof. In the event of any inconsistency between any such Schedules and Exhibits and this Agreement, the terms of this Agreement shall govern.

8.15 **Construction.** Except where the context otherwise requires, wherever used, the singular includes the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word “or” is used in the inclusive sense (and/or). The captions of this Agreement are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision contained in this Agreement. The term “including” as used herein does not limit the generality of any description preceding such term. The language of this Agreement shall be deemed to be the language mutually chosen by the Parties and no rule of strict construction shall be applied against either Party. Unless otherwise specified or where the context otherwise requires, (a) references in this Agreement to any Article, Section, Schedule or Exhibit are references to such Article, Section, Schedule or Exhibit of this Agreement; (b) references in any Section to any clause are references to such clause of such Section; (c) “hereof,” “hereto,” “hereby,” “herein” and “hereunder” and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement; (d) references to a Person are also to its permitted successors and assigns; (e) references to a law include any amendment or modification to such

law and any rules or regulations issued thereunder, in each case, as in effect at the relevant time of reference thereto; and (f) references to any agreement, instrument or other document in this Agreement refer to such agreement, instrument or other document as originally executed or, if subsequently amended, replaced or supplemented from time to time, as so amended, replaced or supplemented and in effect at the relevant time of reference thereto.

[*Signature page follows****]***

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

Asuragen, Inc. **INTERPACE DIAGNOSTICS, LLC**

By:_____ By:

Name: _____ Name: _____

Title: _____ Title: _____

Schedule 1.23
Specification

Test	Method	Specification
Appearance	Visual inspection	Clear, colorless liquid, free from visible particulates
pH	pH meter	5 ± 0.2
Ammonium ion concentration	Ion specific electrode	0.007 ± 0.002 mole of ammonium ions @ 1:1000 dilution

Packaged in 2 liter containers with labeling that will include (a) the manufacturing date, (b) the expiration date, and (c) the lot number.

GUARANTY

of

PDI, INC.

This Guaranty, dated as of August 13, 2014 (this "***Guaranty***"), is made by PDI, Inc., a Delaware corporation ("***Guarantor***"), in favor of Asuragen, Inc., a Delaware corporation ("***Asuragen***"). Capitalized terms not defined in this Guaranty shall have the meanings given to them in the Asset Purchase Agreement.

1. Guaranty. Guarantor hereby irrevocably (a) guarantees, as primary obligor and not merely as surety, the full and prompt payment of any and all monetary obligations and damages and the due and prompt performance of all covenants, agreements, obligations and liabilities for which Interpace Diagnostics, LLC ("***Interpace***"), a wholly-owned subsidiary of Guarantor, is or becomes liable to Asuragen, under or in connection with a certain Asset Purchase Agreement, dated August 13, 2014 (the "***Asset Purchase Agreement***") and the Ancillary Agreements by and between Interpace and Asuragen (collectively, the "***Obligations***") and (b) agrees to pay any and all reasonable expenses (including reasonable legal expenses and reasonable attorneys' fees) incurred by Asuragen in successfully enforcing any rights under this Guaranty.

2. Unconditional Guaranty. Subject to Section 4 of this Guaranty, the obligation of Guarantor under this Guaranty shall be primary, direct, immediate, unconditional and absolute and, without limiting the generality of the foregoing, shall in no way be released, discharged or otherwise affected by:

a. any extension of time for the payment of the Obligations, modification or amendment of the terms of the Asset Purchase Agreement or any Ancillary Agreement or any forebearance as to time or performance or failure by Asuragen to proceed promptly with respect to the Obligations or this Guaranty; or

b. any change in the corporate existence, structure or ownership of Interpace or Guarantor, or any insolvency, bankruptcy, reorganization, dissolution, liquidation, arrangement, assignment for the benefit of creditors or other similar proceeding against Interpace or its assets or any resulting release or discharge of any of the Obligations.

3. Waiver. Guarantor hereby unconditionally and irrevocably waives:

a. diligence, presentment, demand for payment or performance, protest and notice of nonpayment or dishonor and all other notices and demands whatsoever relating to the Obligations or the requirement that Asuragen proceed first against Guarantor's Affiliates, or any other Person to collect payment or enforce performance of the Obligations or otherwise exhaust any right, power or remedy under the Asset Purchase Agreement, any Ancillary Agreement or any other agreement giving rise to any such Obligations to collect payment or enforce performance of the Obligations before proceeding hereunder; and

b. all suretyship defenses including all defenses based upon any statute or rule of law that provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal.

4. Interpace Rights and Defenses. Notwithstanding anything to the contrary in Section 2 of this Guaranty, Guarantor may assert against Asuragen any rights and defenses to the Obligations that Interpace would be entitled to assert against Asuragen in any action brought by Asuragen against Interpace in respect of the Obligations.

5. Action Against Guarantor. In the event of a default by Interpace under the Asset Purchase Agreement or any Ancillary Agreement, Asuragen shall have the right to proceed immediately thereafter against Guarantor for payment or performance, as applicable, of the Obligations without being required to make any demand upon, bring any proceeding, exhaust any remedies against or take any other action of any kind against

Interpace. Guarantor hereby waives notice of acceptance of this Guaranty, presentment, demand of payment, protest and notice and any right or claim of right to cause a marshaling of the assets of Interpace.

6. Subrogation. Guarantor shall not exercise any rights against Asuragen or its Affiliates or Interpace which Guarantor may acquire by way of subrogation, reimbursement, exoneration, contribution, indemnity, applicable law or otherwise, by any payment made under this Guaranty until all of the Obligations shall have been paid in full and until the earlier of one (1) year after payment in full or the period during which any payment by Interpace or Guarantor is or may be subject to avoidance or refund under any applicable bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or other law relating to the relief of debtors of any jurisdiction shall have expired.

7. Representations and Warranties. Guarantor represents and warrants to Asuragen that:

a. Guarantor is a corporation duly incorporated, validly existing and in good standing under the laws of Delaware, has all corporate powers and all material governmental licenses, authorizations, consents and approvals to carry on its business as now conducted;

b. the execution, delivery and performance by Guarantor of this Guaranty and the transactions contemplated by this Guaranty are within its corporate powers, have been duly authorized by all necessary corporate action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene, or constitute a material default under, any provision of applicable law or regulation or of its organization and other constitutive documents or of any material agreement, judgment, injunction, order, decree or other instrument binding upon it or result in the creation or imposition of any lien or other encumbrance on any of its assets;

c. the execution and delivery of the Asset Purchase Agreement and the Ancillary Agreements is, and the consummation of the Transactions will be, of direct interest, benefit and advantage to Guarantor; and

d. this Guaranty constitutes a valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms.

8. Reinstatement of Guarantor's Obligations. If at any time any payment of any of the Obligations is rescinded or is otherwise required by applicable law to be returned by Asuragen upon the insolvency, bankruptcy, reorganization, dissolution, liquidation, arrangement, assignment for the benefit of creditors or other similar proceeding of Interpace, or otherwise, then Guarantor's obligations under this Guaranty with respect to such payment shall be reinstated as though such payment had been due but not been made.

9. Notices. Any notice, request, demand, waiver, consent, approval or other communication permitted or required under this Guaranty (each, a "***Notice***") shall be in writing, shall refer specifically to this Guaranty and shall be deemed given only if delivered by hand or sent by facsimile transmission (with transmission confirmed) or by overnight registered mail, courier or express delivery service that maintains records of delivery, addressed to the parties at their respective addresses specified below or to such other address as the party to whom notice is to be given may have provided to the other party at least 10 days prior to such address taking effect in accordance with this Section 8. Such Notice shall be deemed to have been received: (a) as of the date delivered by hand or by overnight registered mail, courier or express delivery service; or (b) on the day sent by facsimile provided that the sender has received confirmation of transmission (by facsimile receipt confirmation or confirmation by telephone or email) prior to 6:00 p.m. Eastern Time on such day (and if confirmation is received after 6:00 p.m. Eastern Time, such Notice shall be deemed to have been delivered on the following business day). Any Notice delivered by facsimile shall be confirmed by a hard copy delivered promptly thereafter.

Address for Notice.

If to Asuragen, Inc., to:

Asuragen, Inc.
2510 Woodward St., Suite 100

Austin, Texas 78744
Facsimile: (512) 681-5201
Attention: Senior Vice President & General Counsel

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

Covington & Burling LLP
1201 Pennsylvania Avenue, N.W.
Washington, DC 20004
Facsimile: (212) 841-1010
Attention: Jack S. Bodner and John A. Hurvitz

If to PDI, Inc., to:

PDI, Inc.
Morris Corporate Center 1, Building A
300 Interpace Parkway
Parsippany, NJ 07054
Facsimile: (862) 207-7810
Attention: Chief Executive Officer

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

Pepper Hamilton LLP
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103
Facsimile: (215) 981-4750
Attention: Steven J. Abrams, Esq.

10. Remedy. Guarantor acknowledges and agrees that the rights of Asuragen under this Guaranty are of a specialized and unique character and that immediate and irreparable damage will result to Asuragen if Guarantor fails to or refuses to perform its obligations under this Guaranty and, notwithstanding any election by Asuragen to claim damages from Guarantor as a result of any such failure or refusal, Asuragen is, in addition to any other remedies and damages available, entitled to injunctive or other equitable relief (including specific performance) in a court of competent jurisdiction to restrain any such failure or refusal, and Guarantor hereby waives any requirement for Asuragen to post any bond or other security. No single exercise of the foregoing remedy shall be deemed to exhaust Asuragen's right to such remedy, but the right to such remedy shall continue undiminished and may be exercised from time to time as often as Asuragen may elect.

11. Severability. If any court holds that any provisions of this Guaranty as applied to any part or to any circumstances is invalid or unenforceable, such holding shall in no way affect any other provision of this Guaranty, the application of such provision in any other circumstances or jurisdictions or the validity or enforceability of this Guaranty. Asuragen and Guarantor intend this Guaranty to be enforced as written. If any provision, or part thereof, however, is held to be unenforceable because of the scope or duration thereof or the area covered thereby, Asuragen and Guarantor agree that the court making such determination shall have the power to reduce the scope, duration and/or area of such provision, and/or to delete specific words or phrases and in its reduced form such provision shall then be enforceable.

12. No Benefit to Third Parties. The covenants and agreements set forth in this Guaranty are for the sole benefit of the Asuragen and Guarantor and their respective successors and permitted assigns, and they shall not be construed as conferring any rights on any other persons.

13. Amendment. This Guaranty may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by both parties.

14. Waiver. Any term or condition of this Guaranty may be waived at any time by the party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the party waiving such term or condition.

15. Construction. Except where the context otherwise requires, wherever used, the singular includes the plural, the plural the singular, the use of any gender shall be applicable to all genders and the word "or" is used in the inclusive sense (and/or). The captions of this Guaranty are for convenience of reference only and in no way define, describe, extend or limit the scope or intent of this Guaranty or the intent of any provision contained in this Guaranty. The term "including" as used herein does not limit the generality of any description preceding such term. The language of this Guaranty shall be deemed to be the language mutually chosen by the parties and no rule of strict construction shall be applied against either party. Unless otherwise specified or where the context otherwise requires, (a) references in this Guaranty to any Section are references to such Section of this Guaranty; (b) references in any Section to any clause are references to such clause of such Section; (c) "hereof," "hereto," "hereby," "herein" and "hereunder" and words of similar import when used in this Guaranty refer to this Guaranty as a whole and not to any particular provision of this Guaranty; (d) references to a person are also to its permitted successors and assigns; (e) references to a law include any amendment or modification to such law and any rules or regulations issued thereunder, in each case, as in effect at the relevant time of reference thereto; and (f) references to any agreement, instrument or other document in this Guaranty refer to such agreement, instrument or other document as originally executed or, if subsequently amended, replaced or supplemented from time to time, as so amended, replaced or supplemented and in effect at the relevant time of reference thereto.

16. Governing Law. This Guaranty shall be governed by and construed in accordance with the Laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Guaranty to the substantive law of another jurisdiction.

17. Entire Agreement. This Guaranty is a final expression of Guarantor's agreement to guarantee the Obligations and is a complete and exclusive statement of the terms of such agreement, superseding all other agreements, discussions or understandings with respect to Guarantor's guarantee of the Obligations.

18. Unsecured and Unsubordinated Obligations. This Guaranty is unsecured and ranks pari passu with all other unsecured and unsubordinated obligations of Guarantor.

[signature page follows]

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed this 13th day of August, 2014.

PDI, INC.

By:
Name: _____
Title: _____

Portions of this exhibit were omitted and filed separately with the Secretary of the Securities and Exchange Commission pursuant to an application for confidential treatment filed with the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934. Such portions are marked by [***].

FIRST AMENDMENT TO COLLABORATION AGREEMENT

This First Amendment to the Collaboration Agreement (this " **Amendment**") is made as of August __, 2014 (the "**Effective Date**"), by and among [***], a Delaware corporation ("[***]") and **PDI, INC.**, a Delaware corporation ("**PDI**"). Each of [***] and PDI are referred to herein as a " **Party**" and together as the " **Parties**."

STATEMENT

A. [***] and PDI entered into a Collaboration Agreement dated as of August 19, 2013 (the "**Collaboration Agreement**").

B. The Parties desire to amend the Collaboration Agreement and Exhibit A thereto.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, PDI and [***] hereby agree as follows:

1. Definitions.

"**Company GAAP Liabilities** " means, without duplication, all liabilities of the Company as of the Closing Date (i) for Indebtedness (as defined in the Stock Purchase Agreement) or (ii) that would have been disclosed on a balance sheet of the Company prepared according to GAAP as of the Closing Date, including without limitation accounts payable, accrued but unpaid expenses, and other liabilities, but excluding any outstanding balance of the [***] Loan.

"**Joinder**" has the meaning set forth in Section 14 of this Amendment.

"[***] **Loan**" shall mean that certain loan made by Buyer to Seller in the total amount of $[810,000] pursuant to the terms set forth in a certain promissory note, loan agreement and security agreement, each dated March 18, 2014.

"[***] **Shareholders**" has the meaning set forth in Section 14 of this Amendment.

"**Updated Year End Financial Statements** " has the meaning set forth in Section 3.5(b) of the Collaboration Agreement.

"**Updated Interim Financial Statements**" has the meaning set forth in Section 3.5(b) of the Collaboration Agreement.

"**Updated Representations**" has the meaning set forth in Section 3.5(b) of the Collaboration Agreement.

All capitalized words used but not otherwise defined in this Amendment shall have the meaning ascribed thereto in the Collaboration Agreement.

2. Amendment to Section 1.1 .

a. The definition of Anniversary Date in Section 1.1 of the Collaboration Agreement is hereby deleted and replaced in its entirety with the following:

"**Anniversary Date**" means August 19, 2014.

b. The definition of Commercialization in Section 1.1 of the Collaboration Agreement is hereby deleted and replaced in its entirety with the following:

"**Commercialization**" means [***] Validation.

c. The definition of PDI Commercialization Expenses in Section 1.1 of the Collaboration Agreement is hereby deleted and replaced in its entirety with the following:

"**PDI Commercialization Expenses**" has the meaning set forth in Section 2.1.

d. The definition of Stock Purchase Price in Section 1.1 of the Collaboration Agreement is hereby deleted and replaced in its entirety with the following:

"**Stock Purchase Price**" has the meaning set forth in Section 3.5(a).

e. The definitions of the following terms shall be deleted in their entirety:

i. Closing Conditions

ii. Commercial Reimbursement Milestone Payment

iii. Cornell Adjustment Amount

iv. Cornell Rights

v. Established Commercial Reimbursement Amount

vi. Established Medicare Reimbursement Amount

vii. IP Clearance

viii. JS Genetics JV Agreement

ix. Medicare Reimbursement Milestone Payment

x. Milestone Payment

***** Confidential material which has been omitted and filed separately with the Securities and Exchange Commission.**

xi. NY CLIA Approval

xii. Option Conditions

xiii. [***] Put Option

xiv. [***] Put Option Expiration Date

xv. Sensitivity Milestone Payment

xvi. Sensitivity Rating

xvii. Specificity Milestone Payment

xviii. Specificity Rating

xix. Third Party Infringement

3. Amendment to Article 2. Article 2 of the Collaboration Agreement shall be deleted and replaced in its entirety with the following:

Article 2
[***] VALIDATION

2.1 [***] VALIDATION. During the term of the Collaboration Agreement, the Parties will use, and, if appropriate, will cause their Affiliates (including, in the case of PDI, JS Genetics, Inc.) to use, commercially reasonable efforts to achieve Commercialization, but in no event shall PDI be obligated to expend in excess of $500,000, in the aggregate (including amounts expended by PDI to achieve "Commercialization" as such term was defined in the Collaboration Agreement prior to this Amendment), in connection with PDI's performance of mutually agreed-upon activities in furtherance of achieving Commercialization (such amount actually expended, whether greater or less than $500,000, the **"PDI Commercialization Expenditures"**).

4. Amendment to Sections 3.2, 3.3 and 3.4. Sections 3.2, 3.3 and 3.4 of the Collaboration Agreement shall be deleted in their entirety.

5. Amendment to Section 3.5. Section 3.5 of the Collaboration Agreement shall be deleted and replaced in its entirety with the following:

3.5 STOCK PURCHASE AGREEMENT; PURCHASE PRICE; CLOSING.

(a) In connection with the closing of the sale and purchase of the Shares (the " **Closing**") following the exercise of the PDI Call Option (the "**Acquisition**"), each of the Parties shall execute and deliver a stock purchase agreement in form and substance attached hereto as Exhibit A (the "**Stock Purchase Agreement**"). Any such Acquisition shall be accomplished pursuant to the terms of the Stock Purchase Agreement at a purchase price equal to Three

Million Dollars ($3,000,000) minus the aggregate amount of Company GAAP Liabilities (collectively, the "**Stock Purchase Price**"). In addition, at the time of Closing, the then outstanding amount of the [***] Loan shall be reduced to zero. For the avoidance of doubt, if there is no Closing, nothing herein shall be construed to reduce or eliminate the outstanding amount of the [***] Loan.

(b) Within ten (10) business days following receipt by [***] of PDI's written notice of its intent to exercise the PDI Call Option pursuant to Section 3.1, [***] shall provide updates to the disclosures to the representations contained in Exhibit B hereto pursuant to Section 4.6 of the Stock Purchase Agreement, including without limitation, (i) internal unaudited statement of liabilities as of and for the fiscal year ended on the most recent December 31st (the "**Updated Year End Financial Statements** ") and (ii) internal unaudited statement of liabilities as of the end of the most recent completed fiscal month and for the period beginning on the most recent January 1st and ending on the last day of the most recent completed fiscal month (the " **Updated Interim Financial Statements**") that set forth the then current aggregate amount of Company GAAP Liabilities and the [***] Loan (the "**Updated Representations**"). The definition of the term "Financial Statements" in Exhibit B hereto shall hereby be revised to include the Updated Year End Financial Statements and the Updated Interim Financial Statements. The Updated Representations will be attached as Exhibit 4.6(b) to the Stock Purchase Agreement.

(c) The Closing of the Acquisition shall take place at the office of Norris, McLaughlin & Marcus, P.A. (or such other place as may be agreed to by the Parties in writing), at 10:00 a.m. local time, on a date to be specified by the parties (the "**Closing Date**"), which date shall be no later than fifteen (15) Business Days following the exercise of the PDI Call Option, or such sooner date as the Parties may agree.

6. Amendment to Article 4. Article 4 of the Collaboration Agreement shall be deleted in its entirety.

7. Amendment to Section 5.1. The first sentence of Section 5.1 as well as Section 5.1(a) and Section 5.1(b) of the Collaboration Agreement shall be deleted and replaced in their entirety with the following:

5.1 ROYALTY PAYMENTS. Subject to the terms hereof, if (and only if) the Closing of the Acquisition occurs following exercise of the PDI Call Option, then PDI shall pay [***] for further distribution to the [***] Shareholders royalty payments in accordance with the terms set forth below (collectively, the "**Royalty Payments**").

(a) A royalty based on the Net Revenue for each calendar year beginning January 1, 2015, by PDI and/or its Affiliate(s) as follows:

(i) 5.5% on such Net Revenue up to and equal to $50 million in each such calendar year;

(ii) 7.5% on such Net Revenue greater than $50 million and up to and equal to $100 million in each such calendar year; and

(iii) 9.5% on such Net Revenue greater than $100 million in each such calendar year.

(b) Reserved.

8. Amendment to Section 8.3. Section 8.3 of the Collaboration Agreement shall be deleted and replaced in its entirety with the paragraph below.

[***] will give written notice to PDI, as promptly as reasonably possible upon becoming aware of: (i) any fact, change, condition, circumstance, event, occurrence or non-occurrence or development that has caused or is reasonably likely to cause any of the representations and warranties in this Agreement to be untrue or inaccurate in any material respect at any time after the Effective Date and prior to the Closing, or to cause a Material Adverse Change (ii) any material failure on its part to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder, or (iii) the institution of or the threat of institution of any Legal Proceeding against [***] or any of the [***] Shareholders related to this Agreement or the transactions contemplated hereby; provided that the delivery of any notice pursuant to this Section 8.3 shall not limit or otherwise affect the remedies available hereunder to PDI or the representations or warranties of [***].

9. Amendment to Section 8.5. Section 8.5 of the Collaboration Agreement shall be deleted and replaced in its entirety with the paragraph below.

In the event any Legal Proceeding is commenced by any Governmental Body or third party before any court or quasi-judicial or administrative agency of any federal, state, local, or foreign jurisdiction or before any arbitrator wherein an Order would (i) prevent consummation of any of the Acquisition or other transactions contemplated by this Agreement, (ii) cause the Acquisition or the other transactions contemplated by this Agreement to be rescinded following consummation or (iii) affect adversely the right of PDI to own the Shares and to control [***], [***] agrees, at PDI's written request, to cooperate with PDI and use all commercially reasonable efforts to defend such Legal Proceeding and, if an Order is issued in any such Legal Proceeding, to use all commercially reasonable efforts to have such Order lifted.

10. Amendment to Sections 10.2(b) and 10.2(c). Sections 10.2(b) and 10.2(c) of the Collaboration Agreement shall be deleted and replaced in their entirety with paragraphs (b) and (c) below, respectively. For the avoidance of doubt, this amendment to Section 10.2(c) shall not require the payment of any Extension Fee.

(b) [***] shall have the right to terminate this Agreement, at any time prior to the exercise of the PDI Call Option, upon forty five (45) days' prior written notice to PDI, in the event that Commercialization is achieved and PDI neither has exercised the PDI Call Option nor elects to so exercise before the expiration of such 45-day termination notice period. In the event of such termination, [***] shall be obligated to pay PDI the sum of (i) One Million Five Hundred Thousand Dollars ($1,500,000), plus (ii) the PDI Commercialization Expenditures, the aggregate of such amounts to be paid

pursuant to a promissory note identical to the Promissory Note except that the principal amount shall be the amount stated in this paragraph. If Commercialization is achieved after the Extension Fee is paid, and if thereafter a Closing occurs, then the Stock Purchase Price due at Closing shall be reduced by the amount of the Extension Fee.

(c) [***] shall have the right to terminate this Agreement on or after March 31, 2015 upon thirty (30) days' prior written notice to PDI, in the event that Commercialization is not achieved by March 31, 2015, provided, that PDI neither has exercised the PDI Call Option nor elects to so exercise before the expiration of such 30-day termination notice period. In the event of such termination, [***] shall be obligated to pay PDI the sum of One Million Dollars ($1,000,000) pursuant to a promissory note identical to the Promissory Note required by Section 10.2(a). PDI shall have the right to extend until September 30, 2015 the effective date of termination under this Section 10.2(c) by making a payment to [***] of Five Hundred Thousand Dollars ($500,000) (the "**Extension Fee**") before the expiration of such 30-day termination notice period. If the Extension Fee is paid, and if thereafter a Closing occurs, then the Stock Purchase Price due at Closing shall be reduced by the amount of the Extension Fee. Payment of the Extension Fee, and the resulting extension of the effective date of termination, shall not prevent PDI from exercising its rights to terminate under Section 10.2(a) during such extended termination period.

11. Amendment to Section 10.2(g). Section 10.2(g) of the Collaboration Agreement shall be deleted and replaced in its entirety with the paragraph below.

(g) On the date that is the second anniversary date of the Effective Date, this Agreement, if not previously terminated in accordance with its terms, shall automatically terminate if, prior to such date, PDI has not exercised the PDI Call Option.

12. Amendment to Exhibit A. Exhibit A to the Collaboration Agreement is hereby deleted and replaced in its entirety with Exhibit A hereto.

13. Joinder. The Parties desire that each of the shareholders of [***] (the "[***] **Shareholders**") execute a Shareholder Joinder in the form attached hereto (the "**Joinder**") and join in this Amendment for the limited purposes set forth therein. If any [***] Shareholder has not executed the Joinder concurrently with the Parties' execution of this Amendment, then [***] shall use commercially reasonable efforts to obtain the signature of such [***] Shareholder on the Joinder within 30 days after the Effective Date. The failure of any [***] Shareholder to execute the Joinder shall not adversely affect the enforceability of the Amendment as against the Parties or any other [***] Shareholder, and this Amendment shall be enforceable against each [***] Shareholder that has executed the Joinder even if one or more of the other [***] Shareholders fails to execute the Joinder.

14. No Defaults. Each Party represents and warrants that it is not aware of any default by the other party under the Collaboration Agreement.

15. Inconsistencies. In the event of any inconsistencies between this Amendment and the Collaboration Agreement, the provisions of this Amendment shall prevail. Except as modified herein, all of the terms and conditions of the Collaboration Agreement remain in full force and effect.

16. Continued Validity of Collaboration Agreement. Except as amended hereby, the Collaboration Agreement shall continue in full force and effect as originally constituted and is ratified and affirmed by the parties hereto.

17. Counterparts. For the convenience of the Parties, this Amendment may be executed in counterparts and by facsimile or email exchange of pdf signatures, each of which counterpart shall be deemed to be an original, and both of which taken together, shall constitute one agreement binding on the Parties.

[*signature page follows*]

IN WITNESS WHEREOF, the Parties hereto have caused this First Amendment to the Collaboration Agreement to be executed the day and year first above written.

[***]	**PDI, INC.**
By:_____	By:_____
Print Name:_____	Print Name:_____
Title:_____	Title: :_____

***** Confidential material which has been omitted and filed separately with the Securities and Exchange Commission.**

Shareholder Joinder

Each of the undersigned, having executed a Shareholder Joinder to the Collaboration Agreement for the limited purposes as set forth in such Shareholder Joinder to the Collaboration Agreement, hereby joins in the foregoing First Amendment to the Collaboration Agreement for the limited purposes set forth in this Shareholder Joinder. In order to induce PDI to enter into the First Amendment to the Collaboration Agreement, each of the undersigned hereby consents to such Amendment in its entirety, agrees to be bound by the provisions of such Amendment as if he or she were each individually a party to the Amendment, and consents to the specific enforcement of the Collaboration Agreement, as amended by the First Amendment to the Collaboration Agreement, against himself or herself.

Except with respect to the terms of the Collaboration Agreement that are specifically amended by the foregoing First Amendment to the Collaboration Agreement, the Collaboration Agreement (and the Shareholder Joinder thereto) shall continue in full force and effect as originally constituted.

This Shareholder Joinder is binding on each of the signatories hereto, and shall be enforceable against each of the undersigned whether or not one or more of the other [***] Shareholders fails to execute this Shareholder Joinder.

Each of the undersigned agree and acknowledge that their respective counsel have reviewed, or have had the opportunity to review, this Shareholder Joinder and the terms herein.

IN WITNESS WHEREOF, the undersigned hereto have executed this Shareholder Joinder as of the Effective Date of the First Amendment to the Collaboration Agreement.

_____ [***]	_____ [***]
_____ [***]	_____ [***]

***** Confidential material which has been omitted and filed separately with the Securities and Exchange Commission.**

[Exhibit A to First Amendment to Collaboration Agreement]

STOCK PURCHASE AGREEMENT

Dated as of _____ __, ____

By and Among

[PDI, INC.], Buyer

And the Shareholders of

[***], Sellers

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***** Confidential material which has been omitted and filed separately with the Securities and Exchange Commission.**

Exhibits

STOCK PURCHASE AGREEMENT

STOCK PURCHASE AGREEMENT, dated as of _____ __, ____ by and among [**PDI, INC.,** a Delaware corporation] (the "**Buyer**") and the individuals identified on the signature page hereto (collectively, the " **Sellers**").

WHEREAS, Sellers own 100% of the issued and outstanding shares (the " **Shares**") of [***], a Delaware corporation (the "**Company**"); and

WHEREAS, Sellers desire to sell to the Buyer, and the Buyer desires to purchase from Sellers, all of each Sellers' respective Shares, upon the terms and subject to the conditions set forth in this Agreement, so that the Buyer will become the owner of all of the issued and outstanding Shares of the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the Buyer and the Sellers hereby agree as follows:

Article 1

DEFINITIONS

1.1 Definitions

In this Agreement, the following terms have the meanings specified or referred to in this Section 1.1 and shall be equally applicable to both the singular and plural forms. Any agreement referred to below shall mean such agreement as amended, supplemented and modified from time to time to the extent permitted by the applicable provisions thereof and by this Agreement.

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by or is under common control with such Person. The term "control" (including its correlative meanings "controlled by" and "under common control with") means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

"Agreement" means this Stock Purchase Agreement, including all exhibits hereto, as it may be amended from time to time.

"Applicable Law" means any United States or foreign statute, law (including the common law), ordinance, rule, code, or regulation that applies in whole or in part to, as the case may be, the Company, the Buyer or Sellers or any of their respective businesses, properties or assets. Any reference to any federal, provincial, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

"Business Day" means any day of the year on which national banking institutions in New Jersey are open to the public for conducting business and are not required or authorized to close.

***** Confidential material which has been omitted and filed separately with the Securities and Exchange Commission.**

"Buyer" has the meaning set forth in the first paragraph of this Agreement.

"Buyer Documents" has the meaning set forth in Section 3.2(b).

"Buyer Indemnitees" has the meaning set forth in Section 7.2.

"Claim Notice" has the meaning set forth in Section 7.5(a).

"Closing" has the meaning set forth in Section 2.3.

"Closing Consideration" has the meaning set forth in Section 2.2(a).

"Closing Date" has the meaning set forth in Section 2.3.

"Code" means the United States Internal Revenue Code of 1986, as amended.

"Collaboration Agreement" means that certain Collaboration Agreement between PDI, Inc. and the Company, dated August 19, 2013, as amended by the First Amendment to the Collaboration Agreement, dated August __, 2014 to which this Agreement is Exhibit A.

"Company" has the meaning set forth in the second paragraph of this Agreement.

"**Company Documents**" has the meaning set forth in Section Article 4.2.

"Company GAAP Liabilities" means, without duplication, all liabilities of the Company as of the Closing Date (i) for Indebtedness or (ii) that would have been disclosed on a balance sheet of the Company prepared according to GAAP as of the Closing Date, including without limitation accounts payable, accrued but unpaid expenses, and other liabilities.

"Confidential Information" has the meaning set forth in Section 1 of the Confidential Disclosure Agreement dated May 7, 2013 between Buyer and the Company, as applicable to information relating to the businesses and affairs of the Company.

"Expenses" means all reasonable out-of-pocket expenses incurred in connection with defending any claim, action, suit or proceeding incident to any matter indemnified hereunder (including court filing fees, court costs, arbitration or mediation fees or costs, and reasonable fees and disbursements of legal counsel).

"Extension Fee" has the meaning set forth in the Collaboration Agreement.

"FIRPTA Certificate" means a statement complying with the relevant provisions of the Treasury Regulations under Code Section 1445 certifying as to a Seller's non-foreign status.

"Fundamental Representations" means the representations Sections 7.1 through 7.5 (inclusive), 7.7, 7.12, and 7.21 of Exhibit B to the Collaboration Agreement.

"GAAP" means United States generally accepted accounting principles as in effect from time to time.

"Governmental Body" means any United States or foreign government, whether federal, state, municipal or local, or other governmental, legislative, executive or judicial authority, commission or regulatory body.

"[***]" means [***], an individual and the principal stockholder of the Company.

"Indebtedness" of any Person means, without duplication, (i) the principal, accreted value, accrued and unpaid interest, prepayment and redemption premiums or penalties (if any), unpaid fees or expenses and other monetary obligations in respect of (A) indebtedness of such Person for money borrowed and (B) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable; (ii) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding trade accounts payable and other accrued current liabilities arising in the Ordinary Course (other than the current liability portion of any indebtedness for borrowed money)); (iii) all obligations of such Person under leases required to be capitalized in accordance with GAAP; (iv) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction; (v) all obligations of such Person under interest rate or currency swap transactions (valued at the termination value thereof); (vi) the liquidation value, accrued and unpaid dividends, prepayment or redemption premiums and penalties (if any), unpaid fees or expenses and other monetary obligations in respect of any redeemable preferred stock of such Person; (vii) all obligations of any other Persons of the type referred to in clauses (i) through (vi), the payment of which such Person is responsible or liable, directly or indirectly, as obligor, guarantor, surety or otherwise, including guarantees of such obligations; and (viii) all obligations of the type referred to in clauses (i) through (vii) of other Persons secured by (or for which the holder of such obligations has an existing right, contingent or otherwise, to be secured by) any Security Interest on any property or asset of such Person (whether or not such obligation is assumed by such Person).

"Indemnification Threshold" has the meaning set forth in Section 7.4(a).

"Indemnified Party" has the meaning set forth in Section 7.5(a).

"Indemnitor" has the meaning set forth in Section 7.5(a).

"IRS" means the Internal Revenue Service.

"Legal Proceeding" means any action, suit, proceeding, hearing, mediation, claim (including any counterclaim), notice or other assertion of legal liability or investigation of, in, or before any Governmental Body or before any arbitrator.

"Litigating Party" has the meaning set forth in Section 5.2.

"Losses" means any and all losses, costs, obligations, liabilities, settlement payments, awards, judgments, fines, penalties, damages (including incidental damages, but excluding indirect, consequential, exemplary and punitive damages except to the extent such damages are payable to a third party), reasonable expenses, deficiencies, debts, adverse claims or other charges (whether in contract, tort, strict liability or otherwise).

"Material Adverse Change" means any change, effect, event, occurrence or state of facts that is materially adverse to (a) the business, properties, assets, financial condition, prospects or results of operations of the Company, taken as a whole or (b) the ability of the Company to perform its obligations under this Agreement or to consummate the transactions contemplated hereby; provided, however, any adverse change, effect or circumstance resulting from general economic factors affecting the economy as a whole, to the extent that such factors do not have a disproportionate effect on the Company relative to other companies operating in the molecular diagnostics industry, that materially impair the Company's ability to conduct its operations shall not be deemed in themselves, either alone or in combination, to constitute, and shall not be taken into account in determining whether there has been, a Material Adverse Change.

"Net Closing Payment" has the meaning set forth in Section 2.2(a).

"**Ordinary Course**" means any transaction relating to the Company which constitutes an ordinary day-to-day business activity of the Company reasonably consistent with past practice of the Company.

"Organic Documents" means, with respect to a corporation, such corporation's charter or certificate of incorporation and by-laws, or, with respect to a general or limited partnership, such partnership's general or limited partnership agreement, or, with respect to a limited liability company, such limited liability company's certificate of formation and operating agreement.

"Parties" means the Buyer and the Sellers, collectively, and " **Party**" means any one of them.

"Person" means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated organization or other entity.

"[***] **Loan"** has the meaning set forth in the Collaboration Agreement.

"Post-Closing Tax Period" means any taxable period beginning after the Closing Date and the portion of any Straddle Period ending after the Closing Date.

"Pre-Closing Tax Period" means any taxable period ending on or before the Closing Date and the portion of any Straddle Period ending on the Closing Date.

"Restricted Business" means any business or other enterprise involved in the development or commercialization of any products, services or technology for, or related to, diagnosis of thyroid cancer or diagnosis of kidney rejection.

"Securities Act" means the Securities Act of 1933, as amended.

"Security Interest" means any mortgage, pledge, lien, deed of trust, claim, lease, option, right of first refusal, easement, servitude, proxy, voting trust or agreement, transfer restriction under any shareholder or similar agreement, encumbrance, charge, or other security interest, restriction or limitation.

"Seller Documents" has the meaning set forth in Section 3.1(a).

"Seller Indemnitees" has the meaning set forth in Section 7.3.

"Seller Representative" has the meaning set forth in Section 8.1.

"Sellers" has the meaning set forth in the first paragraph of this Agreement.

"Shares" has the meaning set forth in the recitals of this Agreement.

"**Straddle Period**" has the meaning set forth in Section 5.5(c)(i).

"Tax" means (i) any federal, state, local or foreign net income, alternative or add-on minimum, gross income, gross receipts, property, sales, franchise, use, value added, transfer, gains, capital gains, license, excise, employment, payroll, withholding, capital, ad valorem, profits, inventory, capital stock, social security, unemployment, severance, stamp, occupation, estimated or minimum tax, or any other tax, custom duty, governmental fee or other like assessment or charge of any kind whatsoever, (ii) any interest, penalty, fine, addition to tax or additional amount imposed by any Governmental Body in connection with any item described in clause (i) and (iii) any liability in respect of any item described in clause (i) or (ii) payable by reason of contract, assumption, transferee liability, operation of law, Treasury Regulation Section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision under law) or otherwise.

"**Tax Claim**" has the meaning set forth in Section 5.5(f).

"Tax Return" means any return, report or similar statement required to be filed with respect to any Taxes (including any attached schedules), including any information return, claim for refund, amended return and declaration of estimated Tax.

"**Taxing Authority**" means the IRS and any other Governmental Body responsible for the administration of any Tax.

"Third Party Claim" has the meaning set forth in Section 7.6(a).

"Total Consideration" means the sum of (i) One Million Five Hundred Thousand Dollars ($1,500,000), (ii) the PDI Commercialization Expenditures (as defined in the Collaboration Agreement), (iii) the Closing Consideration and (iv) the Royalty Payments (as defined in the Collaboration Agreement)

"**Treasury Regulations**" means the U.S. Department of Treasury regulations promulgated under the Code, including any successor provisions thereto.

1.2. Construction

The Parties have participated jointly in the negotiation and preparation of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

1.3. Headings

The division of this Agreement into articles, sections, subsections, and exhibits and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The article, section, subsection and exhibit headings in this Agreement are not intended to be full or precise descriptions of the text to which they refer and are not to be considered part of this Agreement.

1.4. Number and Gender

In this Agreement, words in the singular include the plural and vice-versa and words in one gender include all genders.

1.5. Knowledge

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the "Knowledge" of a natural Person, it shall be deemed to refer to knowledge of such Person after due inquiry, and where any representation or warranty contained in this Agreement is expressly qualified by reference to the "Knowledge" of a Person that is not an individual, it shall be deemed to refer to the knowledge after due inquiry of such Person's directors and executive officers (including, in the case of the Company, [***]) and all other officers and managers having responsibility relating to the applicable matter.

1.6. Statutes

Unless specified otherwise, reference in this Agreement to a statute refers to that statute or to any amended or restated legislation of comparable effect. Reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

1.7. "Including", "Herein" and References

The word "including" means "including without limitation" and shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it. All uses of the words "herein", "hereto", "hereof", "hereby" and "hereunder" and similar expressions refer to this Agreement and not to any particular section or portion of it. References to an Article, Section, Subsection or Exhibit refer to the applicable article, section, subsection or exhibit of this Agreement.

Article 2
PURCHASE AND SALE; CLOSING

2.1. Purchase and Sale of Shares

Upon the terms and subject to the conditions of this Agreement, on the Closing Date each Seller shall sell, transfer, assign, convey and deliver to Buyer, and Buyer shall purchase from each Seller, all of such Seller's Shares, free and clear of any and all Security Interests.

2.2. Purchase Price

(a) In consideration for the Shares, at the Closing:

(i) the Buyer will pay to the Sellers at Closing an aggregate amount equal to (x) Three Million Dollars ($3,000,000), less (y) the sum of (A) any Extension Fee paid pursuant to the Collaboration Agreement and (B) the amount of any liabilities identified on Exhibit 2.2(a) and any other Company GAAP Liabilities (to the extent not paid by the Company prior to the Closing Date), by wire transfer of immediately available funds to the Sellers (the difference of (x) minus (y), the "**Net Closing Payment**");

(ii) the Buyer will pay the amount of liabilities specified on Exhibit 2.2(a) to such account or accounts specified by the Company for immediate distribution in payment of the liabilities set forth on Exhibit 2.2(a); provided, however, that in no event shall the amounts payable under this Section 2(a)(ii) exceed an amount equal to Three Million Dollars ($3,000,000) minus the Company GAAP Liabilities that are not specified on Exhibit 2.2(a); and

(iii) the then outstanding amount of the [***] Loan shall be reduced to zero.

((i), (ii) and (iii) collectively, the " **Closing Consideration**")

(b) The Buyer shall pay to [***] in his capacity as Seller Representative for further distribution to the Sellers at the Closing, the Net Closing Payment, by wire transfer of immediately available funds to the accounts in the United States specified by [***] in writing to the Buyer at least three (3) Business Days prior to the Closing.

(c) In the event any Company GAAP Liabilities are identified within two (2) years after Closing that were not deducted from the Net Closing Payment as required by Section 2.2(a), Sellers shall reimburse Buyer for each and every such Company GAAP Liability within five (5) Business Days after receiving the Buyer's written demand therefor. Subject to Section 7.4(d), the foregoing does not limit or modify the indemnification obligations in Article 7.

2.3. Closing; Closing Date

The closing of the transactions contemplated by this Agreement (the " **Closing**") shall take place concurrently with the execution hereof at the offices of [***] at [address] (or at such other place as shall be agreed upon by the parties hereto in writing) at 10:00 a.m. (local time) on the date hereof (the **"Closing Date"**), unless another time or date is agreed to in writing by the Parties hereto.

2.4. Deliveries at the Closing

At the Closing, (i) the Sellers will deliver to the Buyer the various certificates, instruments, and documents referred to in Section 6.1 below, including duly executed instruments of transfer or assignment representing all of his or her Shares, (ii) the Buyer will deliver to the Sellers the various certificates, instruments, and documents referred to in Section 6.2 below, and (iii) the Buyer will deliver to [***] in his capacity as Seller Representative for further distribution to each of the Sellers the amounts required pursuant to Section 2.2(b) above.

2.5. Conditions to the Sellers' Obligations at Closing

The obligations of the Sellers to sell the Shares to the Buyer at the Closing are subject to PDI's full payment of all undisputed invoices, and the Parties' good faith resolution of all disputed invoices, submitted by [***] to PDI pursuant to Section 2.1(f) of the Collaboration Agreement.

Article 3
REPRESENTATIONS AND WARRANTIES CONCERNING THE TRANSACTION

3.1. Representations and Warranties of the Sellers

Each of the Sellers represents and warrants to the Buyer that, with respect to himself or herself:

(a) Authorization of Transaction. The Seller has full power and authority to execute and deliver this Agreement and each other agreement, document, or instrument or certificate contemplated by this Agreement or to be executed by the Seller in connection with the transactions contemplated by this Agreement (the **"Seller Documents"**) and to perform his or her obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. This Agreement has been, and each of the Seller Documents will be at or prior to the Closing, duly and validly executed and delivered by the Seller and (assuming due authorization, execution and delivery by the Buyer) this Agreement constitutes, and each of the Seller Documents when so executed and delivered will constitute, the valid and legally binding obligation of the Seller, enforceable in accordance with their respective terms and conditions.

(b) Noncontravention.

(i) Except as disclosed in Exhibit 3.1(b), neither the execution and the delivery of this Agreement nor any of the Seller Documents, nor the consummation of the transactions contemplated hereby or thereby, will violate any Applicable Law to which the Seller is subject.

(ii) Except as disclosed in Exhibit 3.1(b), neither the execution and the delivery of this Agreement nor any of the Seller Documents, nor the consummation of the transactions contemplated hereby or thereby, will conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice or consent under any agreement, contract, lease, license, instrument, or other arrangement to which the Seller is a party or by which he or she is bound or to which any of his or her assets are subject. Except as otherwise disclosed in Exhibit 3.1(b), the Seller does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Person or Governmental Body in connection with the execution and delivery of this Agreement and the Seller Documents or in order for the Parties to consummate the transactions contemplated by this Agreement.

(b) Brokers' Fees. Except as disclosed in Exhibit 3.1(c), the Seller has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

(c) Ownership. Except as disclosed in Exhibit 3.1(d), (i) the Seller holds of record and owns beneficially his or her Shares, free and clear of any restrictions on transfer (other than any restrictions under the Securities Act, state securities laws and restrictions in favor of Buyer pursuant to the Collaboration Agreement), Security Interests, options, warrants, purchase rights, contracts, commitments, equities, claims, and demands, and holds no other rights to acquire any additional capital stock or other equity interests from the Company, (ii) the Seller is not a party to any option, warrant, purchase right, or other contract or commitment that could require the Seller to sell, transfer, or otherwise dispose of any capital stock or other equity interests of the Company (other than those in favor of Buyer under this Agreement and the Collaboration Agreement), (iii) the Seller is not a party to any voting trust, proxy, or other agreement or understanding with respect to the voting of any capital stock or other equity interests of the Company and (iv) the Seller has the power and authority to sell, transfer, assign and deliver the Shares, and such delivery will convey to Buyer good and marketable title to such Shares, free and clear of any and all Security Interests.

(d) No Claims or Disputes. No Seller currently has any claim or dispute with any other Seller, the Company or any of the Company's managers or any other Person of any nature relating in any way to the Company, the business and operations of the Company or such Seller's ownership of Shares in the Company, including, but not limited to, disputes concerning wages, taxes and distributions. There is no Legal Proceeding pending, or to the Knowledge of the Seller threatened, against the Seller or to which the Seller is otherwise a party relating to this Agreement or the Seller Documents or the transactions contemplated hereby.

(e) Litigation. There is no Legal Proceeding against Seller or to which Seller is otherwise a party that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. To the Seller's Knowledge, no event has occurred or circumstances exist that does or could result in or serve as a basis for any such Legal Proceeding.

3.2. Representations and Warranties of the Buyer

The Buyer represents and warrants to the Sellers that:

(a) Organization of the Buyer. The Buyer is a corporation duly formed, validly existing, and in good standing under the laws of Delaware.

(b) Authorization of Transaction. The Buyer has full power and authority to execute and deliver this Agreement and each other agreement, document, or instrument or certificate contemplated by this Agreement or to be executed by the Buyer in connection with the transactions contemplated by this Agreement (the **"Buyer Documents"**) and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. This Agreement has been, and each of the Buyer Documents will be at or prior to the Closing, duly and validly executed and delivered by the Buyer and (assuming due authorization, execution and delivery by each other Party thereto) this Agreement constitutes, and each of the Buyer Documents when so executed and delivered will constitute, the valid and legally binding obligation of the Buyer, enforceable in accordance with their respective terms and conditions.

(c) Noncontravention.

(i) Neither the execution and the delivery of this Agreement nor any of the Buyer Documents, nor the consummation of the transactions contemplated hereby or thereby, will violate any Applicable Law to which the Buyer is subject or any provision of its Organic Documents.

(ii) Neither the execution and the delivery of this Agreement nor any of the Buyer Documents, nor the consummation of the transactions contemplated hereby or thereby, will conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which the Buyer is a party or by which it is bound or to which any of its assets are subject. Except as otherwise disclosed in Exhibit 3.2(c), the Buyer does not need to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Person or Governmental Body in connection with the execution and delivery of this Agreement and the Buyer Documents or in order for the Parties to consummate the transactions contemplated by this Agreement.

(d) Brokers' Fees. The Buyer has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which any Seller could become liable or obligated.

(e) Litigation. There is no Legal Proceeding against Buyer or to which Buyer is otherwise a party that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. To the Buyer's Knowledge, no event has occurred or circumstances exist that does or could result in or serve as a basis for any such Legal Proceeding.

(f) Sufficiency of Funds. At the Closing Date, and at such time as payment may be required to be made by the Buyer under this Agreement and/or the Collaboration Agreement, the Buyer will have sufficient funds available to it to permit the Buyer to pay all amounts payable to the Sellers, including the Closing Consideration.

(g) Investment Intent. The Shares are being purchased for the Buyer's own account, for investment purposes only and not with the view to, or for resale in connection with, any distribution or public offering thereof (within the meaning of such terms in the Securities Act). The Buyer understands that the Shares have not been registered under the Securities Act and cannot be sold unless subsequently registered under the Securities Act or an exemption from such registration is available. The Buyer is an "accredited investor" within the meaning of Rule 501 under the Securities Act.

(h) Disclosure of Information. The Buyer has had an opportunity to discuss the Company's business, management, and financial affairs with the Company's management. The foregoing, however, does not limit or modify the representations and warranties of the Company in Article 4 of this Agreement or the right of the Buyer to rely thereon.

Article 4
REPRESENTATIONS AND WARRANTIES CONCERNING THE COMPANY

[***] represents and warrants to the Buyer that:

4.1 Organization, Qualification, and Corporate Power

The Company is a corporation duly organized, validly existing and in good standing under the laws of Delaware, and duly authorized to conduct business and in good standing under the laws of each jurisdiction where qualification is required, except for jurisdictions where the failure to be so qualified would not cause the Company to experience a Material Adverse Change. The Company has full power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. Exhibit 4.1 lists the directors and officers of the Company.

4.2 Authorization of Transaction

The Company has full power and authority to execute and deliver each agreement, document, or instrument or certificate contemplated by this Agreement or to be executed by it in connection with the transactions contemplated by this Agreement (collectively, the **"Company Documents"**), and to perform its obligations thereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of each of the Company Documents, and the consummation of the transactions contemplated thereby, have been duly authorized and approved by all required action on the part of the Company. Each of the Company Documents will be at or prior to the Closing, duly and validly executed and delivered

***** Confidential material which has been omitted and filed separately with the Securities and Exchange Commission.**

by the Company, and (assuming due authorization, execution and delivery by Buyer) each of the Company Documents to which the Company is a party, when so executed and delivered, will constitute, the valid and legally binding obligation of the Company, enforceable in accordance with their respective terms and conditions.

4.3. Capitalization

The entire authorized capital stock of the Company consists of 10,000,000 voting shares of Common Stock, of which 2,060,000 shares of Common Stock are issued and outstanding as of the date hereof. All of the issued and outstanding shares of Common Stock have been duly authorized, are validly issued, fully paid, and nonassessable, are held of record by the Sellers as disclosed in Exhibit 4.3 and were not issued to or acquired by the Sellers in violation of any Applicable Law applicable to the Company, or of any agreement to which the Company is a party, or of any preemptive rights granted by the Company or, to the Knowledge of the Company, any other Person. Except as disclosed in Exhibit 4.3, (i) no shares of capital stock or other equity interests of the Company are reserved for issuances or are held as treasury shares, (ii) there are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments relating to the capital stock or other equity interests of the Company, granted by the Company or, to the Knowledge of the Company, any other Person, (iii) there are no outstanding or authorized stock appreciation, phantom stock, profit participation, or similar rights with respect to the Company, (iv) there are no obligations, contingent or otherwise, of the Company or, to the Knowledge of the Company, any of the Sellers or any other Persons, to purchase, redeem or otherwise acquire any capital stock or other equity interests of the Company, (v) there are no agreements or understandings, including voting trusts and proxies, among or by the Company and any of the Sellers or any other Persons with respect to the Company, and (vi) there are no dividends which have accrued or have been declared but are unpaid on the capital stock or other equity interests of the Company.

4.4 Noncontravention

(a) Except as disclosed in Exhibit 4.4, neither the execution and the delivery of this Agreement or the Company Documents, nor the consummation of the transactions contemplated hereby, will violate any Applicable Law to which the Company is subject or any provision of the Organic Documents of the Company.

(b) Except as disclosed in Exhibit 4.4, neither the execution and the delivery of this Agreement or the Company Documents, nor the consummation of the transactions contemplated hereby, will conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice or consent under any material agreement, contract, lease, license, instrument, or other arrangement to which the Company is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any Security Interest upon any of its assets). Except as disclosed in Exhibit 4.4, the Company does not need to give any notice to, make any filing with, or obtain any authorization, consent (all of which have already been obtained), or approval of any Person or Governmental Body in connection with the execution and delivery of

this Agreement and the Company Documents and in order for the Parties to consummate the transactions contemplated by this Agreement.

4.5. Brokers' Fees

Except as disclosed in Exhibit 4.5, the Company has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

4.6. Other Matters

Attached hereto as Exhibit 4.6 is an update to the representations contained in Exhibit B to the Collaboration Agreement and updated counterparts of the exhibits to the Collaboration Agreement referred to in Exhibit B of the Collaboration Agreement. The representations and warranties in Exhibit 4.6 are true and correct, in each case, as of the date of this Agreement and as of the Closing as though made at and as of the Closing, except to the extent such representations and warranties expressly speak as of an earlier date (in which case such representations and warranties are true and correct on and as of such earlier date).

4.7. Performance under Collaboration Agreement

The Company has complied in all material respects with the terms and conditions of the Collaboration Agreement, the Company is not in material breach or default under the Collaboration Agreement, and no event has occurred which with notice or lapse of time would constitute a material breach or default, or permit termination, modification, or acceleration, under the Collaboration Agreement.

Article 5
POST-CLOSING COVENANTS

The Parties agree as follows with respect to the period following the Closing.

5.1. Access to Records

After the Closing, Buyer will cause the Company to allow the Seller Representative to inspect, for all proper purposes, any and all books and records of the Company existing on the Closing Date as may be reasonably required in order to allow the Sellers to comply with their obligations to Buyer or third parties in connection with any Legal Proceedings, except that Buyer shall not be required to provide access to such books and records in connection with a dispute between Buyer and the Company and/or any Seller; provided, that such access will be upon reasonable prior written notice, during normal business hours, at Sellers' expense and conducted in a manner so as not to unreasonably interfere with the Company's business.

5.2. Litigation Support

In the event and for so long as any Party (the **"Litigating Party"**) is actively contesting or defending against any Legal Proceeding in connection with (i) any transaction contemplated under this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving the Company, each of the other Parties will reasonably cooperate with the Litigating Party and his or its counsel in the contest or defense, and make available their personnel and provide such testimony and access to their books and records as shall be reasonably necessary in connection with the contest or defense, all at the sole cost and expense of the Litigating Party (except as otherwise provided in Article 7), provided that this Section 5.2 shall not apply in respect of any Legal Proceeding brought against the Litigating Party by any other Party hereto.

5.3. Non-Competition; Non-Solicitation

(a) [***] agrees that for a period of three (3) years from and after the Closing Date, neither he nor any of his Affiliates shall, directly or indirectly, own, manage, engage in, operate, control, work for, consult with, render services for, do business with, maintain any interest in (proprietary, financial or otherwise) or participate in the ownership, management, operation or control of, any business, whether in corporate, proprietorship or partnership form or otherwise, engaged in a Restricted Business; provided, however, that the restrictions contained in this Section 5.3(a) shall not restrict the acquisition by [***] or any of his Affiliates, directly or indirectly, of less than 2% of the outstanding capital stock of any publicly traded company engaged in a Restricted Business.

(b) [***] agrees that for a period of three (3) years from and after the Closing Date, neither he nor any of his Affiliates shall, directly or indirectly: (i) cause, solicit, induce or encourage any employees of the Company to leave such employment or hire, employ or otherwise engage any such individual; or (ii) cause, induce or encourage any material actual or prospective client, customer, supplier, or licensor of the Company (including any existing or former customer of the Company and any Person that becomes a client or customer of the Company after the Closing) or any other Person who has a material business relationship with the Company to terminate or modify any such actual or prospective relationship.

***** Confidential material which has been omitted and filed separately with the Securities and Exchange Commission.**

5.4. Confidentiality

Each of the Sellers will treat and hold as confidential all of the Confidential Information, refrain from using any of the Confidential Information except in connection with this Agreement, Article 5 of the Collaboration Agreement and/or Section 11.12 of the Collaboration Agreement, and deliver promptly to the Buyer or destroy, at the request and option of the Buyer, all tangible embodiments of the Confidential Information which are in his or its possession; provided, however, that the Sellers may retain, and shall have no obligation to return to Buyer or destroy, any information provided to the Sellers pursuant to Article 5 of the Collaboration Agreement or generated in connection with the undertakings described in Section 11.12 of the Collaboration Agreement. In the event that any of the Sellers is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, that Seller will notify the Buyer promptly of the request or requirement so that the Buyer may seek an appropriate protective order or waive compliance with the provisions of this Section 5.4 at the Buyer's expense.

5.5. Tax Matters

(a) Tax Indemnity.

(i) The Sellers hereby agree collectively, in proportion to their respective pro rata share of the Total Consideration, to be liable for and to indemnify and hold the Buyer Indemnitees harmless from and against, and pay to the Buyer Indemnitees, the amount of any and all Losses in respect of (i) all Taxes of the Company (or any predecessor thereof) for any Pre-Closing Tax Period (determined as provided in Section 5.5(c)); (ii) the failure of any of the representations and warranties contained in Section 7.12 of Exhibit 4.6 to be true and correct in all respects (determined without regard to any qualification related to materiality or Knowledge contained therein) or the failure to perform any covenant contained in this Agreement with respect to Taxes; and (iii) any failure by the Sellers to timely pay any and all Taxes required to be borne by the Sellers pursuant to Section 8.12.

(ii) The Buyer hereby agrees to be liable for and to indemnify and hold the Seller Indemnitees harmless from and against, and pay to the Seller Indemnitees, the amount of any and all Losses in respect of (x) all Taxes of the Company (or any predecessor thereof) for any Post-Closing Tax Period; and (y) the failure of the Buyer to perform any covenant contained in this Agreement with respect to Taxes.

(b) Tax Returns; Payment of Taxes.

(i) Prior to the Closing Date, the Company shall timely prepare and file with the appropriate Taxing Authorities all Tax Returns required to be filed on or before the Closing Date and shall pay all Taxes due with respect to such Tax Returns or owed (whether or not shown to be due on any Tax Returns).

(ii) Buyer shall cause the Company to timely prepare and file with the appropriate Taxing Authorities all Tax Returns related to the Company not described in subsection (i) above and, subject to the rights to payment from the Sellers under subsection (iii)

below, shall cause the Company to pay all Taxes due with respect to such Tax Returns or owed (whether or not shown to be due on any Tax Returns). In the case of any Tax Return required to be filed pursuant to this subsection (ii) that reflects Taxes that are the subject of indemnification by the Sellers under Section 5.5(a), above, Buyer shall provide the Seller Representative at least fifteen (15) Business Days before filing with copies of such completed Tax Returns, along with supporting workpapers, for the review and approval of the Seller Representative, such approval not to be unreasonably withheld or delayed. The Seller Representative and the Buyer shall attempt in good faith to resolve any disagreements regarding such Tax Returns prior to the due date for filing. In the event that the Seller Representative and the Buyer are unable to resolve any dispute with respect to such Tax Returns prior to the due date for filing, such dispute shall be resolved pursuant to Section 5.5(g), which resolution shall be binding on the parties.

(iii) Not later than ten (10) Business Days prior to the due date for the payment of Taxes on any Tax Returns for which the Buyer has filing responsibility pursuant to subsection (ii), the Sellers shall pay to the Buyer the amount of Taxes owed by the Sellers, as reasonably determined by the Buyer in accordance with the provisions of Section 5.5(a) and 5.5(c). No payment pursuant to this subsection (iii) shall excuse the Sellers from their indemnification obligations pursuant to Section 5.5(a) if the amount of Taxes for which Sellers are liable under this Agreement as ultimately determined (on audit or otherwise) for the periods covered by such Tax Returns exceeds the amount of the Sellers' payment under this Section 5.5(b)(iii). If the amount of Taxes for which Sellers are liable under this Agreement as ultimately determined (on audit or otherwise) for the periods covered by such Tax Returns is less than the amount of the Sellers' payment under this Section 5.5(b)(iii), the Buyer shall reimburse to Sellers the amount of such overpayment not later than ten (10) Business Days following the date of such ultimate determination.

(c) Allocations; Straddle Period.

(i) In any case in which a Tax is assessed with respect to a taxable period that includes the Closing Date (but does not begin or end on that day) (a **"Straddle Period"**), the Taxes of the Company, if any, attributable to a Straddle Period shall be allocated (i) to Sellers for the period up to and including the close of business on the Closing Date, and (ii) to Buyer for the period subsequent to the Closing Date. Any allocation of income or deductions required to determine any Taxes attributable to a Straddle Period shall be made by means of a closing of the books and records of the Company as of the close of business on the Closing Date, provided that exemptions, allowances or deductions that are calculated on an annual basis (including, but not limited to, depreciation and amortization deductions) shall be allocated between the period ending on the Closing Date and the period after the Closing Date in proportion to the number of days in each such period.

(ii) To the extent that Taxes are not apportioned pursuant to Section 5.5(c)(i) using the closing of the books method, such as in the case of real, personal and intangible property Taxes, the amount of these Taxes shall be allocated to the Pre-Closing and Post-Closing Tax Periods based on a fraction, the denominator of which is the number of days during such Tax Period and the numerator of which is the number of days in the Straddle Period.

(d) Cooperation. The Seller Representative, the Company, and the Buyer shall reasonably cooperate, and shall cause their respective Affiliates, officers, employees, agents, auditors and representatives reasonably to cooperate, in preparing and filing all Tax Returns (including amended Tax Returns, if any) and any other matters relating to Taxes, including maintaining and making available to each other all records necessary in connection with Taxes and in resolving Tax Claims.

(e) Tax Refunds. Any refund received by the Company of Taxes attributable to a Pre-Closing Tax Period (determined in accordance with Section 5.5(c)) shall be for the account of the Sellers; provided, however, that the Sellers shall not be entitled to any refund of Taxes to the extent such refund is attributable to the carryback of losses arising in or attributable to a taxable period (including the portion of any Straddle Period) beginning after the Closing Date to a Pre-Closing Tax Period. All other Company Tax refunds, including those described in clauses (i) and (ii) above, shall be for the account of the Buyer. The Buyer shall, and shall cause the Company to, forward any Tax refund received by the Company to which the Sellers may be entitled in accordance with this Section 5.5(e) to the Seller Representative for further distribution to the Sellers as promptly after such receipt as is commercially practicable.

(f) Tax Audits.

(i) If notice of any judicial, administrative or arbitral actions, suits, mediation, investigation, inquiry, proceedings or claims (including counterclaims) by or before any Taxing Authority with respect to Taxes of the Company (a **"Tax Claim"**) shall be received by any Party for which the other Party would be liable pursuant to Section 5.5(a), the notified Party shall notify such other Party in writing of such Tax Claim; provided, however, that the failure of the notified Party to give the other Party notice as provided herein shall not relieve such failing Party of its obligations under this Section 5.5 except to the extent that the other Party is actually and materially prejudiced thereby.

(ii) he Seller Representative shall have the sole right to represent the interests of the Company in any Tax Claim relating exclusively to taxable periods ending on or before the Closing Date if and to the extent the Sellers are potentially liable for any Taxes resulting therefrom, and to employ counsel of their choice at their expense; provided, however, that the Seller Representative may not agree to a settlement or compromise thereof without the prior written consent of the Buyer, which consent shall not be unreasonably withheld or delayed; and provided, further, that if such Tax Claim involves an issue that recurs in a Post-Closing Tax Period of Buyer, the Company or any of their respective Affiliates or otherwise could adversely affect the Buyer, the Company or any or their respective Affiliates for a Post-Closing Tax Period, then (A) the Seller Representative and the Buyer shall jointly control the defense and settlement or compromise of any such Tax Claim and each Party shall cooperate with the other Party at its own expense, and (B) there shall be no settlement or closing or other agreement with respect thereto without the written consent of each of the Buyer and the Seller Representative, which consents shall not be unreasonably withheld or delayed.

(iii) In the case of any Tax Claim not described in (ii) above, the Buyer shall have the right, at the expense of the Sellers to the extent such Tax Claim is subject to indemnification by the Sellers pursuant to Section 5.5(a) hereof, to represent the interests of the

Company; provided that in the case of any Tax Claim that is the subject of indemnification under Section 5.5(a), Buyer shall not settle such claim without the written consent of the Seller Representative, which consent shall not be unreasonably withheld or delayed.

(g) Disputes. Any dispute as to any matter covered under this Section 5.5 shall be resolved by an independent accounting firm mutually acceptable to the Seller Representative and the Buyer. The fees and expenses of such accounting firm shall be borne equally by the Sellers, on the one hand, and Buyer on the other. If any dispute with respect to a Tax Return is not resolved prior to the due date of such Tax Return, such Tax Return shall be filed in the manner which the Party responsible for preparing such Tax Return deems correct.

(h) Exclusivity**.** The indemnification provided for in this Section 5.5 shall be the sole remedy for any claim in respect of Taxes. In the event of a conflict between the provisions of this Section 5.5, on the one hand, and the provisions of Article 7, on the other, the provisions of this Section 5.5 shall control. For the avoidance of doubt, the limitations contemplated in Section 7.4 shall not apply to any recovery under Section 5.5(a) hereof.

Article 6
DELIVERABLES AT CLOSING

6.1. Sellers' Deliverables

The obligation of the Buyer to consummate the transactions to be performed by it in connection with the Closing is subject to delivery of the following documents by Sellers:

(a) a certificate of an officer of the Company dated as of the Closing Date and certifying (i) that correct and complete copies of its Organic Documents are attached thereto, (ii) that correct and complete copies of each resolution of its board of directors approving the Company Documents to which it is a party and authorizing the execution thereof and the consummation of the transactions contemplated thereby are attached thereto and (iii) the incumbency and signatures of the persons authorized to execute and deliver the Company Documents on behalf of the Company;

(b) the resignations, effective as of the Closing, and release of claims to fees or expenses of each director and officer of the Company whose resignation has been requested by the Buyer;

(c) duly executed instruments of assignment or transfer from each Seller with respect to all of his or her Shares;

(d) a FIRPTA Certificate in form and substance satisfactory to the Buyer; and

(e) such other documents and instruments as may be required by any other provision of this Agreement or as may reasonably be required to consummate the transactions contemplated by this Agreement, each in form and substance reasonably satisfactory to the Buyer.

The Buyer may waive any of the foregoing deliverables specified in this Section 6.1 if it executes a writing so stating at or prior to the Closing.

6.2. Buyer's Deliverables

The obligation of the Sellers to consummate the transactions to be performed by them in connection with the Closing is subject to Buyer's payment of the Closing Consideration as provided in Section 2.2 and delivery of the following documents by Buyer:

(a) a certificate of an officer of the Buyer dated as of the Closing Date and certifying (i) that correct and complete copies of its Organic Documents are attached thereto, (ii) that correct and complete copies of each resolution of its board of directors approving the Buyer Documents to which it is a party and authorizing the execution thereof and the consummation of the transactions contemplated thereby are attached thereto and (iii) the incumbency and signatures of the persons authorized to execute and deliver the Buyer Documents on behalf of the Buyer;

(b) such other documents and instruments as may be required by any other provision of this Agreement or as may reasonably be required to consummate the transactions contemplated by this Agreement, each in form and substance reasonably satisfactory to the Sellers.

The Sellers may waive any of the foregoing deliverables condition specified in this Section 6.2 if they execute a writing so stating at or prior to the Closing.

Article 7
REMEDIES FOR BREACHES OF THIS AGREEMENT

7.1. Survival of Representations and Warranties

The representations and warranties in this Agreement and in any certificate delivered pursuant hereto shall survive the Closing and shall terminate at the close of business on the date two (2) years following the Closing Date, except that the representations and warranties of the Sellers contained in Sections 7.11 and 7.14 of Exhibit 4.6 and in Section 4.7 hereof shall survive the Closing and shall terminate at the close of business on the date three (3) years following the Closing Date, and except further that the representations and warranties of the Sellers contained in Sections 3.1(a), (b) (i) and (c)-(f), 4.1, 4.2, 4.3, 4.4(a), 4.5 and 4.6 to the extent such Section 4.6 relates to the Fundamental Representations, and of the Buyer contained in Sections 3.2(a)-(c)(i) and (d)-(h), shall survive until 90 days after the expiration of the applicable underlying statute of limitations; provided, however, that any obligations under Section 7.2 or 7.3 shall not terminate with respect to any Losses and Expenses as to which the Person to be indemnified shall have given notice (stating in reasonable detail the basis of the claim for indemnification) to the identifying party in accordance with Section 7.4(a) before the termination of the applicable period for survival of the representation and warranty pursuant to this Section 7.1.

7.2. Indemnification of Buyer

(a) Each Seller shall severally (but not jointly) defend and indemnify the Buyer, its Affiliates (including the Company) and each of their officers, directors, employees, stockholders, agents and representatives (collectively, the **"Buyer Indemnitees"**) against and hold them harmless from any Losses and Expenses suffered or incurred by any such Buyer Indemnitee arising from, relating to or otherwise:

i. based upon, attributable to or resulting from the failure of any representation or warranty made by such Seller in Section 3.1 or in any Seller Document of such Seller to be true and correct in all respects as of the date hereof and at and as of the Closing Date; or

ii. based upon, attributable to or resulting from any breach of any covenant or other agreement of such Seller under this Agreement or any Seller Document of such Seller.

(b) [***] shall defend and indemnify the Buyer Indemnitees against and hold them harmless from any Losses and Expenses suffered or incurred by any such Buyer Indemnitee arising from, relating to or otherwise:

i. based upon, attributable to or resulting from the failure of any representation or warranty made by [***] in Article 4 of this Agreement or by the Company in any Company Document, as the case may be, to be true and correct in all respects as of the date hereof and at and as of the Closing Date;

ii. any claim in relation to Taxes, as provided in Section 5.5; and

iii. based upon, attributable to or resulting from that certain engagement letter between the Company and Torreya Capital, a division of the Financial West Investment Group, dated October 4, 2012 including any and all amounts now or hereafter payable by the Company under or in connection with such agreement.

7.3. Indemnification of Sellers

The Buyer shall defend and indemnify the Sellers and their respective Affiliates, agents, attorneys, representatives, successors and permitted assigns (collectively, the "**Seller Indemnitees**") against and hold them harmless from any Losses and Expenses suffered or incurred by any Seller arising from, relating to or otherwise:

(a) based upon, attributable to or resulting from the failure of any representation or warranty made by the Buyer in this Agreement or in any Buyer Document, as the case may be, to be true and correct in all respects as of the date hereof and at and as of the Closing Date;

(b) based upon, attributable to or resulting from any breach of any covenant or other agreement of the Buyer under this Agreement or any Buyer Document; and

***** Confidential material which has been omitted and filed separately with the Securities and Exchange Commission.**

(c) based upon, attributable to or resulting from any breach of any covenant or other agreement of the Buyer under Sections 5.1(c) or 11.12 of the Collaboration Agreement.

7.4. Limitations on Indemnification for Breaches of Representations and Warranties

(a) [***] shall not have any liability under Section 7.2(b)(i) unless the aggregate of all Losses and Expenses relating thereto for which [***] would, but for this proviso, be liable to indemnify all Indemnified Parties exceeds on a cumulative basis Fifty Thousand Dollars ($50,000) (the **"Indemnification Threshold"**), and then only to the extent the aggregate amount of such Losses and Expenses exceed the Indemnification Threshold.

(b) The aggregate amount of all Losses and Expenses for which (i) the Sellers in the aggregate shall be liable pursuant to Sections 7.2(a) or 7.2(b) shall not exceed the Total Consideration and (ii) any Seller individually shall be liable pursuant to Sections 7.2(a) shall not exceed such Seller's pro rata portion of the Total Consideration. The aggregate amount of all Losses and Expenses for which Buyer shall be liable pursuant to 7.3 shall not exceed the Total Consideration.

(c) The limitations on indemnification set forth in Sections 7.4(a) and Section 7.4(b) shall not apply to Losses and Expenses related to the failure to be true and correct of any of the representations and warranties contained in Sections 3.1(a), 3.1(b)(i), 3.1(c)-(f), 3.2(a)-(c)(i), 3.2(d)-(h), 4.1, 4.2, 4.3, 4.4(a), 4.5 and 4.6 to the extent such Section 4.6 relates to the Fundamental Representations.

(d) In the event a Party is entitled to recover the same Losses under more than one provision of this Agreement, such Party shall only be permitted to recover such Losses one time, and without duplication.

(e) Notwithstanding the foregoing, this Section 7.4 shall not (i) limit the rights of the Parties to seek equitable remedies (including specific performance or injunctive relief) or (ii) apply in respect of any claim of fraud, including any tort claim or cause of action based upon, arising out of or related to any intentional misrepresentation made in or in connection with this Agreement or as an inducement to enter into this Agreement.

(f) Subject to Section 7.4(d), the Parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims on the part of any other Party hereto in connection with the transactions contemplated by this Agreement for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this Article 7.28

7.5. Notice of Claim

(a) Any Party seeking indemnification hereunder (the **"Indemnified Party"**) shall give to the Party obligated to provide indemnification to such Indemnified Party (the **"Indemnitor"**) a notice (a **"Claim Notice"**) describing in reasonable detail the facts giving rise to any claim for indemnification hereunder and shall include in such Claim Notice a reference to the provision of this Agreement, Seller Document, Company Document or Buyer Document upon which such claim is based; provided, that a Claim Notice in respect of any Legal Proceeding by or against a third Person as to which indemnification will be sought shall be given, promptly reasonable after the action or suit is commenced; and provided, further, that failure to give such notice shall not relieve the Indemnitor of its obligations hereunder except to the extent it shall have been actually prejudiced by such failure.

(b) After the giving of any Claim Notice pursuant hereto, the amount of indemnification to which an Indemnified Party shall be entitled under this Article 7 shall be determined: (i) by the written agreement between the Indemnified Party and the Indemnitor; (ii) by a final judgment or decree of any Governmental Body of competent jurisdiction; or (iii) by any other means to which the Indemnified Party and the Indemnitor shall agree. The judgment or decree of a court shall be deemed final when the time for appeal, if any, shall have expired and no appeal shall have been taken or when all appeals taken shall have been finally determined. Following such determination of the amount of indemnification, the Indemnified Party shall forward to the Indemnitor written notice of any sums due and owing by the Indemnitor and the Indemnitor shall pay all of such sums so due and owing within five (5) Business Days by wire transfer of immediately available funds.

7.6. Third Person or Governmental Body Claims

(a) The Indemnitor shall have the right to conduct and control, through counsel of its choosing, who is reasonably satisfied to the Indemnified Party, the defense, compromise or settlement of any third Person or Governmental Body claim, action or suit (a **"Third Party Claim"**) against any Indemnified Party as to which indemnification will be sought by such Indemnified Party from such Indemnitor hereunder. If the Indemnitor acknowledges its obligation and elects to defend against, compromise, or, settle any Third Party Claim which relates to any Losses indemnified by it hereunder, it shall within five (5) Business Days of the Indemnified Party's claim notice with respect to such Third Party Claim in accordance with Section (a) (or sooner, if the nature of the Third Party Claim so requires) notify the Indemnified Party of its intent to do so; provided, that the Indemnitor must conduct the defense of the Third Party Claim actively and diligently thereafter in order to preserve its rights in this regard. If the Indemnitor elects not to defend against, negotiate, settle or otherwise deal with any Third Party Claim which relates to any Losses indemnified against hereunder or fails to notify the Indemnified Party of its election as herein provided, the Indemnified Party may defend against, negotiate, settle or otherwise deal with such Third Party Claim. The Parties shall, in connection with any Third Party Claim the Indemnitor has elected to defend against, compromise or settle, furnish such records, information as may be reasonably requested by the in connection therewith. The Indemnified Party may participate, through counsel chosen by it and at its own expense, in the defense of any Third Party Claim as to which the Indemnitor has so elected to conduct and control the defense compromise or settlement thereof; provided, however, that such Indemnified

Party shall be entitled to participate in any such defense with separate counsel at the expense of the Indemnitor, if (i) so requested by the Indemnitor to participate or (ii) in the reasonable opinion of counsel to the Indemnified Party, a conflict or potential conflict exists between the Indemnified Party and the Indemnitor that would make such separate representation advisable; and provided, further, that the Indemnitor shall not be required to pay for more than one such counsel for all Indemnified Parties in connection with any Third Party Claim. Notwithstanding anything in this Section 7.6 to the contrary, neither the Indemnitor nor the Indemnified Party shall, without the written consent of the other party, settle or compromise any Third Party Claim or permit a default or consent to entry of any judgment unless the claimant or claimants and such party provide to such other party an unqualified release from all liability in respect of the Third Party Claim.

(b) Notwithstanding the provisions of Section (a), in the event of any claim for injunctive or other equitable relief against the Buyer that would if successful reasonably be expected to have a material and continuing effect on the Company, and for which the Buyer would be entitled to indemnification, the Buyer may assume the defense of such claim at the cost and expense of the Sellers.

7.7. Purchase Price Adjustment

Any indemnification payment made by the Buyer or any Seller under this Article 7 or Section 5.5 shall be treated by the Buyer and the Sellers as an adjustment to the Closing Consideration for federal, state and local Tax purposes.

7.8. Calculation of Losses

Notwithstanding anything to the contrary set forth herein, solely for purposes of Section 7.2 in determining the amount of any Losses and Expenses suffered or incurred by any Buyer Indemnitee related to a breach of any representation or warranty of any Seller, but not whether there has occurred any such breach, the representations and warranties set forth in this Agreement shall be considered without regard to any "material," "Material Adverse Change" or similar qualifications set forth therein.

7.9. No Contribution

The Sellers shall have no right of contribution or other recourse against the Company or its directors, officers, employees, Affiliates, agents, attorneys, representatives, assigns or successors for any Third Party Claims asserted by the Buyer, it being acknowledged and agreed that the covenants and agreements of the Company are solely for the benefit of the Buyer.26

7.10. Offset Rights

Buyer shall have the right to set off any amounts owed by the Sellers to Buyer under this Agreement against any amounts owed by Buyer to the Sellers under the Collaboration Agreement. If PDI intends to exercise such right, it shall provide written notice to the Seller Representative, and if the Seller Representative disputes PDI's notice, the amount claimed to be subject to set-off shall thereafter be paid by PDI into escrow until the claim is resolved by (a) written agreement of PDI and the Seller Representative, or (b) a final, non-appealable judgment or decree of any Governmental Body. If such resolution upholds the set-off in whole or in part, the funds paid into escrow shall be released first to PDI in an amount equal to the amount of such determination, and the remaining escrow funds, if any, shall then promptly be released to the Seller Representative. If such resolution denies the set-off, the funds paid into escrow shall promptly be released to the Seller Representative. Notwithstanding the foregoing, all funds paid into escrow shall promptly be released to the Seller Representative if the dispute has not been resolved within 180 days after delivery by PDI of the applicable set-off notice to the Seller Representative, or such longer period as PDI and the Seller Representative may agree, if prior to the conclusion of such period neither PDI nor the Seller Representative has commenced a Legal Proceeding with respect to the claimed set-off.

Article 8

MISCELLANEOUS

8.1. Seller Representative

(a) By virtue of the adoption of this Agreement by the Sellers other than [***], and without further action of any such Seller, each such Seller shall be deemed to have irrevocably constituted and appointed [***] (and by execution of this Agreement [***] hereby accepts such appointment) as agent and attorney-in-fact (in such capacity, the **"Seller Representative"**) for and on behalf of the Sellers (in their capacity as such), with full power of substitution, to act in the name, place and stead of each Seller with respect to and in connection with and to facilitate the consummation of the transactions contemplated hereby, including the taking by the Seller Representative of any and all actions and the making of any decisions required or permitted to be taken by the Seller Representative under Section 2.2 or Article 7. The power of attorney granted in this Section 8.1 is coupled with an interest and is irrevocable, may be delegated by the Seller Representative and shall survive the death or incapacity of each Seller. No bond shall be required of the Seller Representative, and the Seller Representative shall receive no compensation for his services.

(b) The Seller Representative shall not be liable to any Person for any act taken in good faith and in the exercise of his reasonable judgment and arising out of or in connection with the acceptance or administration of his duties under this Agreement (it being understood that any act done or omitted pursuant to the advice of legal counsel shall be conclusive evidence of such good faith and reasonable judgment), and shall not be liable for, and may seek indemnification from the Sellers for, any Losses incurred by the Seller Representative, except to the extent of any Losses actually incurred as a proximate result of the gross negligence or bad faith of the Seller Representative. The Seller Representative shall be entitled to recover any out-of-pocket costs

and expenses reasonably incurred by the Seller Representative in connection with actions taken by the Seller Representative pursuant to the terms of Section 2.2 or Article 7 of this Agreement or Article 5 or Section 11.12 of the Collaboration Agreement (including the payment of brokers' fees and expenses, the hiring of legal counsel and the incurring of legal fees and costs), from the Sellers jointly and severally, including, without limitation, by deducting such costs and expenses from amounts otherwise distributable to the Sellers.

(c) From and after the date of this Agreement, any decision, act, consent or instruction of the Seller Representative with respect to Section 2.2 or Article 7 shall constitute a decision of all Sellers and shall be final, binding and conclusive upon each Seller, and the Buyer may rely upon any decision, act, consent or instruction of the Seller Representative as being the decision, act, consent or instruction of each Seller. Buyer is hereby relieved from any liability to any Person for any acts done by Buyer in accordance with any such decision, act, consent or instruction of the Seller Representative.

8.2. Press Releases and Public Announcements

No Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the Buyer and the Seller Representative; provided, however, that any Party may make any public disclosure it believes in good faith is required by Applicable Law or any listing or trading agreement concerning its publicly-traded securities (in which case the disclosing Party will use all commercially reasonable efforts to advise the other Parties prior to making the disclosure).

8.3. No Third-Party Beneficiaries

Except as specifically provided in Section 8.5, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

8.4. Entire Agreement

This Agreement (including the documents referred to herein), the Seller Documents, the Company Documents, the Buyer Documents and the Confidentiality Agreement constitute the entire understanding and agreement among the Parties with respect to the subject matter hereof and supersede any prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they related in any way to the subject matter hereof.

8.5. Succession and Assignment

This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other Parties; provided, however, that the Buyer may (i) assign this Agreement and/or any or all of its rights and interests hereunder to any entity with which it may merge or consolidate, or which acquires all or substantially all of its business and assets, (ii) assign this Agreement and/or any or all of its rights and interests hereunder to one or more of its Affiliates, and/or (iii) designate one or more of its Affiliates to perform its obligations hereunder. In addition, rights provided to Sellers under this Agreement are not transferrable or assignable under any circumstance without a written opinion of counsel for Buyer that such transfer or assignment complies with applicable securities laws.

8.6. Counterparts

For the convenience of the Parties, this agreement may be executed in counterparts and by facsimile or email exchange of pdf signatures, each of which counterpart shall be deemed to be an original, and both of which taken together, shall constitute one agreement binding on the Parties.

8.7. Notices

All notices, requests, demands, claims, and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given if (and then two (2) Business Days after) it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

IF TO THE SELLERS:

[***]

COPY TO:

Thompson Hine LLP
335 Madison Avenue
12th Floor
New York, NY 10017-4611

Attn: Faith L. Charles, Esq.

***** Confidential material which has been omitted and filed separately with the Securities and Exchange Commission.**

IF TO THE BUYER:

[PDI, Inc.]	COPY TO:
Morris Corporate Center 1, Building A	Norris McLaughlin & Marcus, P.A.
300 Interpace Parkway	721 Route 202-206, Suite 200
Parsippany, NJ 07054	Bridgewater, NJ 08807
Attn: Jeffrey Smith., CFO	Attn: David Blatteis, Esq.

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, or ordinary mail, but not electronic mail or messaging), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

8.8. Governing Law

This Agreement, and all claims or causes of action that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or covenant made in or in connection with this Agreement or as an inducement to enter into this Agreement), shall be governed by and construed in accordance with the laws of the State of New Jersey applicable to contracts made and performed in such State without giving effect to any choice or conflict of law provision or rule (whether of the State of New Jersey or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New Jersey.

8.9. Submission to Jurisdiction; Consent to Service of Process

(a) The Parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of any federal or state court located within the State of New Jersey over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby and each Party hereby irrevocably agrees that all claims in respect of such dispute or any suit, action proceeding related thereto may be heard and determined in such courts. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Each of the Parties hereto hereby consents to process being served by any party to this Agreement in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 8.7.

(c) THE PARTIES TO THIS AGREEMENT EACH HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION (i) ARISING UNDER THIS AGREEMENT OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE. THE PARTIES TO THIS AGREEMENT EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

8.10. Amendments and Waivers

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by each of the Parties hereto. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence. No action taken pursuant to this Agreement, including any investigation by or on behalf of any Party, shall be deemed to constitute a waiver by the Party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

8.11. Severability

Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

8.12. Expenses

Each Party will bear its and their own costs and expenses (including legal fees and expenses) incurred in connection with the negotiation, preparation, execution and delivery of this Agreement and each other agreement, document and instrument contemplated by this Agreement. All transfer Taxes and other expenses required to complete the sale of the Shares shall be borne by the Sellers.

8.13. Further Assurances

The Parties will from time to time do and perform such additional acts and execute and deliver such additional documents and instruments as may be required by Applicable Law or reasonably requested by any Party to establish, maintain or protect its rights and remedies or to effect the intents and purposes of this Agreement and the other documents delivered in connection with the Closing. Without limiting the generality of the foregoing, each party agrees to endorse (if necessary) and deliver to the other, promptly after its receipt thereof, any payment or document which it receives after the Closing Date and which is the property of the other.

8.14. Release

Effective as of the Closing, each [***] Shareholder on behalf of himself or herself and his or her respective Affiliates hereby releases, remises and forever discharges, to the extent permitted by law, any and all rights and claims that he or she has had, now has or might now have against the Company, except with respect to or in connection with (a) matters which such [***] Shareholder is entitled to indemnification pursuant to this Agreement, (b) indemnification as an officer or director arising under the Company's Certificate of Incorporation or Bylaws, the Delaware General Corporation Law or any insurance policy, (c) obligations of the Company under this Agreement, Article 5 or Section 11.12 of the Collaboration Agreement, or any other document or instrument executed and delivered by the Company pursuant to this Agreement and (d) accrued but unpaid compensation payable to any [***] Shareholder in his or her capacity as a consultant of the Company in the ordinary course of their consultancy for periods prior to the Closing provided same is disclosed at Closing as a Company GAAP Liability or on Exhibit 2.2(a). Each [***] Shareholder has been advised by, or has had the opportunity to be advised by and has waived such opportunity, independent legal counsel and is familiar with the provisions of certain state laws that provide, in effect, that a general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

8.15. Incorporation of Exhibits

The Exhibits identified in this Agreement are incorporated herein by reference and made a part hereof.

[signature page follows]

***** Confidential material which has been omitted and filed separately with the Securities and Exchange Commission.**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

SELLERS:

_____
[***]

_____
[***]

_____
[***]

_____
[***]

BUYER:

[PDI, INC.]

By:

Title:

***** Confidential material which has been omitted and filed separately with the Securities and Exchange Commission.**

EXHIBIT 3.1(b)

None

EXHIBIT 3.1(c)

See Engagement letter, between [***] and Torreya Capital, a division of the Financial West Investment Group, dated October 4, 2012.

***** Confidential material which has been omitted and filed separately with the Securities and Exchange Commission.**

EXHIBIT 3.1(d)

None

EXHIBIT 3.2(c)

None

EXHIBIT 4.3

None

EXHIBIT 4.4

None

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nancy S. Lurker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 of PDI, Inc. (the "registrant");

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 officer 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 Rules 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 annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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 functions):

    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: November 5, 2014

/s/ Nancy S. Lurker
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Graham G. Miao, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 of PDI, Inc. (the "registrant");

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 officer 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 Rules 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 annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer 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 functions):

    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: November 5, 2014

/s/ Graham G. Miao
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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 Quarterly Report of PDI, Inc. (the "Company") on form 10-Q for the period ended September 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Nancy S. Lurker, as 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, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2014

/s/ Nancy S. Lurker
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

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 Quarterly Report of PDI, Inc. (the "Company") on form 10-Q for the period ended September 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Graham G. Miao, as 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, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2014

/s/ Graham G. Miao
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.