



April 23, 2013

**VIA FIRST CLASS MAIL AND/OR ELECTRONIC MAIL**

**Individually Addressed to various Clinical Trial Sponsors**

**Re: Receivership of PRACS Institute Canada B.C. Ltd.: Protocol Regarding Third-Party Property**

To whom it may concern:

We understand that you are a clinical trial sponsor that contracted with PRACS Institute Canada B.C. Ltd. ("PRACS Canada") and/or PRACS Institute, LLC ("PRACS US") to perform certain clinical trials and/or bioanalytical analyses in the Greater Toronto Area. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "Court"), on March 22, 2013, PricewaterhouseCoopers Inc. was appointed as receiver (the "Receiver") of all of PRACS Canada's assets, undertakings and property ("Property"). The Receiver has entered into an asset purchase agreement (the "Sale Agreement"), dated as of April 19, 2013, with 2368350 Ontario Inc. ("Inflamax") and 1893929 Ontario Inc. (dba CML HealthCare Clinical Research Inc.) ("CML" and, together with Inflamax, the "Purchasers") to sell substantially all of PRACS Canada's right, title and interest in and to the Property to the Purchasers. The Receiver and the Purchasers plan to attend Court on May 1, 2013 to seek approval of the Sale Agreement.

The Sale Agreement provides, among other things, that the Purchasers covenant and agree to treat, in accordance with the Protocol Regarding Third-Party Property (the "Protocol") attached to this letter, all investigational medicinal products ("IMPs"), blood, plasma and other samples ("Samples"), clinical trial data and data related to bioanalytical analyses to the extent that it does not contain any information about identifiable clinical trial subjects ("Data"), and clinical trial subjects' medical records, case record forms, patient clinic files, personal health or other personal information (collectively "Information" and, together with IMPs, Samples and data, the "Third-Party Property") in their possession and control after the closing date, but which are owned by or otherwise belong to clinical trial sponsors (each, a "Sponsor"), in accordance with the Protocol Regarding Third-Party Property (the "Protocol") attached to this letter.

The Protocol provides that Third-Party Property that is owned by or otherwise belongs to a Sponsor shall remain property of such Sponsor and shall not constitute part of the Purchasers' purchased assets. The Purchasers shall, in accordance with any applicable regulations, store, maintain, protect, preserve and keep strictly confidential such Third-Party Property in the Purchasers' possession or control and shall use all commercially reasonable efforts generally undertaken by contract research organizations to keep such property in its current state and condition.

In addition, the applicable Purchaser shall contact you within fifteen (15) Business Days of the closing date (estimated to be May 2, 2013) to reach an agreement as to whether you would like your Third-

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Party Property to be stored, disposed of or returned to you. Full particulars are set out in the attached Protocol.

The Receiver's Court materials in connection with the May 1st motion will be posted on the Receiver's website ([www.pwc.com/car-pracs](http://www.pwc.com/car-pracs)) shortly. If you have any questions or concerns regarding the foregoing, please visit the website or contact Bob den Oudsten (416 941 8383 x 14010).

Sincerely,

**PricewaterhouseCoopers Inc.**, in its  
capacity as Court-appointed Receiver of  
PRACS Institute Canada B.C. Ltd., and not  
in its personal capacity.

A handwritten signature in cursive script that reads "Michelle M. Pickett".

Michelle Pickett  
Senior Vice President

## **SCHEDULE “D”**

### **PROTOCOL REGARDING THIRD-PARTY PROPERTY**

1. Third-Party Property owned by or otherwise belonging to a Sponsor shall remain property of such Sponsor and shall not constitute part of the Purchased Assets.
2. Inflamax shall, in accordance with any applicable regulations, store, maintain, protect, preserve and keep strictly confidential Third-Party Property located at the Clinic Facilities or Third-Party Property otherwise in Inflamax’s possession or control and shall use all commercially reasonable efforts generally undertaken by contract research organizations to keep such property in its current state and condition. CML shall, in accordance with any applicable regulations, store, maintain, protect, preserve and keep strictly confidential Third-Party Property located at the Laboratory Facilities or Third-Party Property otherwise in CML’s possession or control and shall use all commercially reasonable efforts generally undertaken by contract research organizations and bioanalytical laboratories to keep such property in its current state and condition.
3. The applicable Purchaser shall contact each Sponsor within fifteen (15) Business Days of the Closing Date to inform the Sponsor of any Third-Party Property in such Purchaser’s possession that belongs to such Sponsor based on the books and records made available to such Purchaser.
4. Upon (a) agreement between the applicable Purchaser and the applicable Sponsor with respect to the options set out below, (b) the applicable Purchaser’s verification that the Third-Party Property at issue belongs to the applicable Sponsor and (c) written consent of the Receiver, the Purchaser shall:
  - (i) store, maintain, protect and preserve such Third-Party Property in accordance with a new storage agreement between the Purchaser and the Sponsor, at a cost in accordance with industry standards;
  - (ii) allow the Sponsor, at no additional cost, reasonable access to the Clinic Facilities, the Laboratory Facilities or a third-party storage provider’s facilities, as necessary, to remove the Sponsor’s Third-Party Property;
  - (iii) package and ship such Third-Party Property in accordance with all applicable laws to the Sponsor at the Sponsor’s sole cost and expense, at a cost in accordance with industry standards; or
  - (iv) dispose of any Third-Party Property belonging to a Sponsor that is capable of disposal in accordance with all applicable laws, at the applicable Purchaser’s sole cost and expense,

provided, however, that if the Purchaser and Sponsor agree to option (ii) or (iii) above, prior to the transfer of any Third-Party Property, the Sponsor must (x) provide written confirmation that the Sponsor has obtained all required regulatory approvals, if applicable, to transfer the Third-Party Property to the Sponsor or its designee (including from the

applicable research ethics board and Health Canada) and (y) represent and warrant that the Sponsor or its designee, as applicable, will collect, use, store, process and maintain all Information in compliance with all applicable privacy laws.

5. To the extent possible, the applicable Purchaser shall, prior to transferring any Information, notify each clinical trial subject of the specific Information with respect to such subject that will be transferred to the Sponsor or its designee, and shall provide the subjects with contact information of a person at the Sponsor or its designee to whom questions or requests for access may be directed. If the Purchaser is unable to notify the subjects prior to transferring their Information to the Sponsor or its designee, the Purchaser shall notify the subjects and provide the relevant contact information as soon as practicable thereafter.
6. The Receiver shall have no liability, obligation or responsibility with respect to any Third-Party Property from and after Closing and the Purchasers hereby release the Receiver from any such liability, obligation or responsibility.
7. Any of the Receiver, either Purchaser or any Sponsor may seek the advice and direction of the Court supervising the Receivership Proceedings on the administration and carrying out of this Protocol, including if the Purchaser and Sponsor cannot reach an agreement as set out in paragraph 4 above, with any motion to be brought on reasonable notice to the other parties hereto and such additional parties as may be appropriate