

MEMORANDUM OF UNDERSTANDING

Memorandum of Understanding ("MOU") takes effect on ~~May 8~~ June 8, 2012 ("Effective Date") and is between Albany Molecular Research, Inc. [REDACTED]

[REDACTED] located at 26 Corporate Circle, Albany, New York 12203 ("Company"), and The Research Foundation of State University at New York ("Foundation") on behalf of the College of Nanoscale Science and Engineering ("CNSE") of the University at Albany, State University of New York with an office located at 257 Fuller Road, Albany, New York, 12203. (Company and Foundation are each referred to as a "Party" and together the "Parties").

I. OVERVIEW

1.1. New York State has led the U.S. in multi-billion dollar strategic investments in high technology programs that cover the entire spectrum of clean energy, medical, smart grid, and nanotechnology industry needs, from long-term innovative research and development, to workforce development and education, to product prototyping and commercialization.

1.2. New York State's comprehensive job creation and economic growth agenda for New York State provides strategic investments for job creation in emerging high-tech industries across New York State and fosters critical partnerships between State government, the private sector and New York State's top-flight universities and research institutions, as demonstrated recently by the commitment and growth of CNSE, together with its public and private university and industry partners.

1.3. Company is a corporation duly formed under the laws of the State of Delaware that has become a leader in the field of fully integrated drug discovery, development, and manufacturing services.

1.4. Company acknowledges that CNSE is a critical enabling component in maintaining and bolstering New York State's position as a leader in clean energy, nanomedicine, and nanotechnology, and recognizes the mutual benefit that can be attained by: (i) collaborating with CNSE to bring to the State of New York new research, development, and business investments from the various sectors of drug discovery research and development (R&D) industry; and (ii) fostering critical partnerships among the Parties and the public and private sectors.

1.5. CNSE recognizes Company as a valuable potential collaborator and partner in the development of future generations of medical therapeutics, pharmaceutical drugs, and drug delivery systems, including advanced scientific protocols that enable the

detection, identification, and cure of infections and infectious agents, and medication specifically designed and customized to prevent or eliminate specific diseases.

I.6 The Parties desire to explore making joint investments in the State of New York that focus on (i) research and development ("R&D") and prototyping for future generations of medical therapeutics, pharmaceutical drugs, and drug delivery systems; and (ii) the establishment of Company development, testing, shared-user facilities, business, and other related operations in Western New York.

In view of the foregoing, the Parties set forth an expression of interest to engage in good faith negotiations in contemplation of a closer collaboration to establish the objectives set forth below. As the Parties embark upon negotiations, they wish to express their preliminary understanding of issues within this MOU. No Party will be bound by the provisions in Sections I through IV until such time as a final definitive contract is signed by Foundation, on behalf of CNSE, and Company ("Final Contract"). The provisions in Articles V through XVII below are binding terms affecting the administration of this MOU and the conduct of negotiations between the Parties. Only the provisions in Articles V through XVII are binding on the Parties upon signature of this MOU by both Parties.

II. OBJECTIVES

II.1. R&D, Business Outreach, and Economic Development Discussion

The Parties will undergo confidential discussions with the purpose of evaluating an R&D collaboration and economic partnership agreement for the location of a joint center housing Company development, testing, shared-user facilities, business, and other related operations in Western New York.

II.2. Desirable Goals of the Collaboration

II.2.1. The Parties wish to establish a joint center, to be called the College of Nanoscale Science and Engineering – Albany Molecular Research, Inc. Center (herein referred to as CNSE-AMRI Center or Center) at a location to be mutually agreed upon by the Parties in Western New York State. The Center will focus on creating a pharmaceutical development portal, combining Company's existing chemical libraries (natural product and man-made) with ideas and innovations from CNSE and other New York State academic institutions and health agencies as well as national laboratories when appropriate and necessary. The Center's portal will eventually allow for researchers worldwide to gain access to a library of pharmaceuticals and biomarker tools and datasets, providing the ability to cross reference pharmaceuticals with specific genotypes/phenotypes to provide personalized pharmaceuticals and delivery methods.

II.2.2. Housed within the CNSE-AMRI Center the Parties will develop, demonstrate, and deploy future generations of medical therapeutics, pharmaceutical drugs, and drug delivery systems, including advanced scientific protocols that enable the detection, identification, and cure of infections and infectious agents, and medication specifically designed and customized to prevent or eliminate specific diseases.

II.2.3. The Parties will establish development, testing, shared-user facilities, business, and other related operations within the CNSE-AMRI Center at a location to be mutually agreed upon by the Parties in Western New York in accordance with the Company obligations outlined in Section III.

III. COMPANY OBLIGATIONS

The Company commits to discussing with the Foundation the potential establishment of its next generation development, testing, shared-user facilities, business, and other related operations in Western New York, at a location to be mutually agreed by the Parties. The Company further agrees to discuss cash-equivalent, capital and operational investments over 5 years and the creation and retention of 250 high tech jobs (consisting of Company, CNSE and COMPANY affiliated pharmaceutical companies) during the same period as outlined below and in accordance with the Table attached and made an integral part of this MOU as Schedule A.

III.1. Investment Targets

The Company commits to discussing with the Foundation an investment in [REDACTED] Company either owns or has the right to [REDACTED] [REDACTED] valued at approximately \$50 million. The Company commits to discussing additional investments in the Center of approximately \$150 million which may include combined [REDACTED] capital and operational expenses, including [REDACTED] expenses as discussed in section III.2. below, according to Schedule A.

III.2. Employment Targets

Company commits to discussing with the Foundation the creation of 250 total high tech jobs [REDACTED] [REDACTED] at its next generation development, testing, shared-user facilities, business, and other related operations in Western New York, at a location to be mutually agreed by the Parties. The Company commits to discussing with the Foundation strategies for the retention of these jobs for a period of no less than 5 years.

III.3. R&D Funding Targets

Company commits to work with Foundation, on behalf of CNSE, to identify sources of funding to develop, demonstrate, and deploy future generations of medical therapeutics, pharmaceutical drugs, and drug delivery systems, including advanced scientific protocols that enable the detection, identification, and cure of infections and infectious agents, and medication specifically designed and customized to prevent or eliminate specific diseases. Such funding is projected to be generated from public and private funding sources.

IV. FOUNDATION OBLIGATIONS

IV.1. Foundation Capital Funding

Foundation will use best efforts to generate funding from the State of New York State, to be administered through Foundation, to design and construct or locate an existing [REDACTED] facility to house the Center's next generation development, testing, shared-user facilities, business, and other related operations including: [REDACTED] of laboratory space, including approximately [REDACTED] for a shared main screening laboratory and solutions stores, and [REDACTED] of proprietary laboratories, of which [REDACTED] [REDACTED] cold storage; [REDACTED] workforce training rooms; [REDACTED] data center; and [REDACTED] common areas to be located in Western New York, at a location to be mutually agreed by the Parties. This facility will provide Parties and the Center with office space, main screening laboratory, shared-use laboratories, common space, workforce training, and a shared data center. The facility will be owned by FOUNDATION and assigned to the Center including use by the Company for a minimum of five years. [REDACTED] [REDACTED]

Foundation will further use best efforts to generate funding from the State of New York State, to be administered through Foundation, to equip the facility with the development and testing equipment necessary to support Company's testing and shared-user facilities to among other things establish a unique, on-of-a-kind state-of-the-art industrial scale screening laboratory and personalized medicine screening laboratory with robotic workstations. A sample list of equipment that would be considered for purchase to support the efforts described in this MOU may include, but not be limited to, those attached herein as Schedule C. The equipment will be owned by FOUNDATION and assigned to the exclusive use of Company for a minimum of five years. Under no circumstance will the cost of the equipment exceed \$35 million.

IV.2. R&D Funding Targets

Foundation commits to work with Company to identify sources of funding to develop, demonstrate, and deploy future generations of medical therapeutics, pharmaceutical drugs, and drug delivery systems, including advanced scientific protocols that enable the detection, identification, and cure of infections and infectious agents, and medication specifically designed and customized to prevent or eliminate specific diseases. Such funding is projected to be generated from public and private funding sources.

IV.3. Workforce Education and training

Foundation commits to work with Company to help recruit and train the workforce in Western New York necessary to staff the facility.

V. FUNDS

Each Party shall be responsible for funding its own activities under this MOU. The scope of the activities under this MOU shall be determined by the funds available at both institutions for the types of collaboration undertaken and by financial assistance as may be obtained by either institution from external sources. No funds of either Party are in any way committed or obligated for any purpose whatsoever by virtue of entering into this MOU. This MOU does not identify or require the transfer of funds between the Parties. This MOU shall not be construed to authorize or guarantee funding for any proposals submitted in response to any solicitation, nor shall it be construed as a guarantee of future funding nor shall this MOU be construed as an endorsement of any proposal submitted by any Party or non-Party.

VI. FUNDRAISING

The Parties agree to seek joint funding from public and/or private entities, including federal and state governments and quasi-government agencies and organizations, foundations and private philanthropy and commercial interests, to support and finance RD&D prototype development based equipment and resources necessary to establish the state-of-the-art facilities for the joint activities as outlined in this MOU. The Parties will consult with each other, in advance, prior to undertaking fundraising activities with third parties pursuant to their joint activities under this MOU.

VII. INTELLECTUAL PROPERTY

Rights in intellectual property created under a separate agreements resulting from this MOU shall be determined in accordance with the terms of the separate agreement. No rights in any intellectual property are conveyed or granted by or under this MOU.

VIII. FINAL CONTRACTS(S)

The Parties agree and acknowledge that the precise terms and conditions associated with each collaborative research and/or education program, and the corresponding use of facilities will be governed by one or more Final Contracts that will be separately executed written agreements entered into by Company and Foundation on behalf of affiliated entities that will detail the precise terms and conditions of such research and/or programs; including without limitation the mutually agreed upon rights and obligations of the Parties in regards to technology transfer and intellectual property. The Parties acknowledge that entry into a Final Contract(s) may be subject to a multitude of material conditions precedent, including, but not limited to, each Party's review and approval; successful negotiation of an agreed set of terms and conditions and agreement on the details of the scope of work for joint projects; and successful negotiation of related agreements, if any.

IX. TERM AND TERMINATION

This MOU shall be effective for an initial term of One (1) year following the Effective Date (the "Term"), unless earlier terminated in accordance with this MOU. Any extension of this MOU will be mutually agreed upon as to terms and executed in writing. Either Company or Foundation may terminate this MOU, with no liability to any other party, by giving at least thirty (30) days prior written notice.

X. PUBLICATION AND PUBLICITY

Press releases and any publicity or other communication or disclosure by any Party to a non-party regarding this MOU, the relationship among the Parties, or the negotiation of the proposed Final Contract must be approved by all Parties in writing prior to any such press release, public announcement or other disclosure, excluding any communication to another Party to this MOU or internal within any Party.

XI. CONFIDENTIAL INFORMATION

The Parties agree that confidentiality terms set forth in Schedule B and the Mutual Confidential Disclosure Agreement entered into by the Parties and made effective as of December 27, 2011, shall govern confidentiality of information disclosed hereunder.

XII. USE OF NAME

Nothing contained in this Agreement shall be construed as conferring any right to use in advertising, publicity or other promotional activities any name, trade name, trademark or

other designation of either Party (including any contraction, abbreviation or simulation of any of the foregoing).

XIII. NOTICE

All communications, notices and disclosures required or permitted by this Agreement shall be in writing, shall be provided to the other Party and shall be deemed to have been given at the earlier of the date when actually delivered to the other Party or when deposited in the United States mail, certified or registered mail, postage prepaid, return receipt requested, by hand delivery, by overnight courier service with signed receipt or by facsimile transmission (with written confirmation of receipt thereof), and addressed as follows, unless and until either Party notifies the other Party of a change of address:

To Foundation:

John Loonan, Operations Manager
College of Nanoscale Science and Engineering
257 Fuller Road
Albany, New York 12203
USA

To Company:

Thomas E. D'Ambra, PhD, President/CEO
Albany Molecular Research, Inc.
26 Corporate Circle
Albany, New York 12203

XIV. NO LIABILITY

XIV.1 No Party shall make a claim against, or be liable to, any other Party or its affiliates or agents for any damages, including (without limitation) incidental, consequential, special or indirect, punitive, damages or lost profits or injury to business reputation, resulting from the continuation or abandonment of negotiations. A Party's undertaking to develop information or technology and/or acquire personnel or capital assets or other detrimental reliance in expectation of execution of a Final Contract shall be at its own risk and such Party shall not make a claim against any other Party for any such reliance damages.

XIV.2 Any detrimental reliance or performance based on the binding portions of this MOU is undertaken in exchange for the consideration due under the MOU and the associated risks are entirely assumed by the relying or performing Party.

XV. GOVERNING LAW AND JURISDICTION

This MOU will be governed by and interpreted exclusively under the laws of the State of New York, without regard to its choice of law rules. The Parties will comply with all applicable federal, state and local laws and regulations with respect to this MOU. In case of any dispute concerning or arising out of this MOU that cannot be resolved by the Parties in good faith, such dispute shall be finally settled and venue shall be exclusively held in any appropriate state or federal court in the County of Albany, State of New York. Each Party consents to exclusive jurisdiction and venue of such courts.

XVI. EXPORT CONTROL

No Party will export or re-export the technology, commodities, or software (or the direct product thereof), directly or indirectly, to any countries to which such export is now or hereafter becomes illegal under U.S. export regulations if such Party is in the US or governed by US law or by the laws of any other governing administration.

XVII. MISCELLANEOUS

XVII.1 No amendment or modification of this MOU shall be valid or binding upon the Parties unless in a writing executed by both of the Parties.

XVII.2 This MOU may be signed in one or more counterparts, each of which shall be deemed to be an original and all of which when taken together shall constitute the same MOU. Any signed copy of this MOU made by photocopy, facsimile or Adobe PDF format shall be considered an original.

XVII.3 All agreements drafts, "term sheets", memoranda, if any, and other communications respecting the agreements or activities related thereto prepared or exchanged in the course of negotiations, even if signed by one or all Parties, shall be considered only preliminary and shall not be legally binding unless subsequently incorporated into an amended MOU or Final Contract.

IN WITNESS WHEREOF, each Party has caused this MOU to be signed by its duly authorized representative as follows:

SIGNATURE PAGE FOLLOWS

ALBANY MOLECULAR RESEARCH, INC.

THE RESEARCH FOUNDATION OF
STATE UNIVERSITY OF NEW YORK,
ON BEHALF OF THE COLLEGE OF
NANOSCALE SCIENCE AND
ENGINEERING

By: Thomas O. O'Shea

Title: Chairman, President & CEO

Date: June 8, 2012

By: Jim St...

Title: CWSE RESEARCH FOUNDATION

Date: 6-8-12