

## ECONOMIC DEVELOPMENT AWARD PERFORMANCE AGREEMENT

This Performance Agreement (this “**Performance Agreement**”) is entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2017, by and between Wake County, North Carolina, a body politic and corporate of the State of North Carolina (the “**LUG**”), and INC Research, LLC, a Delaware limited liability company (the “**Company**”).

WHEREAS, the Company is a private life science company engaged in business as a contract research organization; and

WHEREAS, the LUG has been awarded a One Hundred Thousand Dollar (\$100,000) Economic Development Award grant (the “**Grant**”) from the North Carolina Biotechnology Center (the “**Center**”), to support an incentive from the LUG to induce the Company to expand and maintain its corporate headquarters Wake County (the “**Project**”); and

WHEREAS, the LUG has agreed to administer the Grant pursuant to the terms and conditions of a Grant Agreement (attached hereto as Attachment 1 and incorporated into this Performance Agreement as if fully set forth herein) between the LUG and the Center; and

WHEREAS, terms contained in the Grant Agreement between the LUG and the Center require the LUG to enter into a Performance Agreement with the Company to address the following:

- (1) the disbursement of the Grant Funds (as defined below) by the LUG to the Company;
- (2) the use of the Grant Funds by the Company;
- (3) the Company’s performance in creating or attracting new jobs in the LUG;
- (4) the circumstances under which the Company will be required to repay the Grant Funds; and
- (5) the Company’s reporting obligations.

NOW THEREFORE, the LUG and the Company knowingly and willingly enter into this Performance Agreement for the purposes set forth above, and hereby agree to the following terms and conditions:

1. Disbursement of Funds.

(a) The LUG shall disburse to the Company the full sum of One Hundred Thousand Dollars (\$100,000) in one lump sum, constituting the full amount of the Grant Funds as an economic development incentive (the “**Grant Funds**”).

(b) The obligation to disburse any amount to the Company under this Performance Agreement is contingent upon the availability of funds to the Center for such purpose, and the payment of such funds to the LUG to administer to the Company.

(c) For purposes of this Performance Agreement, all documents referred to as Exhibit A of the Grant Agreement between the LUG and the Center shall be considered a part of this Performance Agreement as if fully set forth herein. Funds awarded under the Grant Agreement will not be transferred by the Center to the LUG prior to the completion of the documents required by the Grant Agreement (including those referred to in Exhibit A thereto), which shall be completed and certified where required.

2. Use of Funds.

(a) The Grant Funds shall be used by the Company to support its business activities that relate to the life sciences and to create and attract life science-related jobs based in the geographic area of the LUG. The Grant Funds shall be used in a manner that provides sustainable benefit to both the Company and LUG in support of growth of the area's life science community. Acceptable uses of Grant Funds are project dependent based on, but not limited to, company/project size, status, and resources. Examples include, without limitation, support for talent preparation and optimization, infrastructure investments, community education, improvements of facilities, and the acquisition of equipment (placed in service and remaining in service in North Carolina for a minimum of three (3) years), each in support of the Company's life science operations and LUG's life science community. Grant Funds shall only be used for the purposes for which they are granted.

(b) All Grant Funds must be expended by the Company no later than the date exactly three (3) years following the specific date upon which the Company initially certifies existing jobs (the "**Jobs Start Date**"). This date exactly three (3) years following the Jobs Start Date shall be referred to as the "**Jobs End Date**".

3. Company Performance.

(a) As of the Jobs End Date, the Company shall employ at least two hundred fifty-eight (258) new full-time persons above and beyond the number of employees based in the geographic area of the LUG as of the Jobs Start Date (the "**Minimum Job Requirement**"). The Company shall certify the number of jobs as of the Jobs End Date and provide evidence of such number if requested by the LUG or the Center. As used herein, (i) "**Number of Jobs Created**" means an amount equal to the number of jobs certified by the Company at the Jobs End Date minus the number of jobs certified by the Company at the Jobs Start Date and (ii) "**New Minimum Job Requirement**" means the actual Number of Jobs Created, but shall not be an amount greater than the original Minimum Job Requirement. The number of jobs certified at any time hereunder is the number of jobs of the Company based in the geographic area of the LUG. Number of Jobs Created represents net new full-time jobs at the Company based in the geographical area of the Local Unit of Government and cannot include employees transferred or relocated from another Company site in North Carolina unless otherwise agreed to by the Center, Local Unit of Government, and the Company.

(b) As of the date one (1) year following the Jobs End Date (the "**End of Maintenance Date**"), the Company shall employ no fewer full-time persons based in the geographic area of the LUG than the New Minimum Job Requirement. The Company shall certify the number of jobs as of the End of Maintenance Date and provide evidence of such number if requested by the LUG or the Center.

4. Repayment by the Company.

(a) If the Company does not satisfy the Minimum Job Requirement as of the Jobs End Date, then the Company shall pay the LUG Three Hundred Eighty-eight Dollars (\$388) for

each job below the established Minimum Job Requirement threshold. Any such payment shall be due from the Company to the LUG no more than sixty (60) days following the Jobs End Date.

(b) If the Company does not maintain the New Minimum Job Requirement as of End of Maintenance Date, then the Company shall pay the LUG Three Hundred Eighty-eight Dollars (\$388) for each job below the New Minimum Job Requirement. Any such payment shall be due from the Company to the LUG no more than sixty (60) days following the End of Maintenance Date.

5. Reporting Obligations; Site Visits.

(a) The Company shall provide the LUG with annual reports documenting the Company's receipt and expenditure of Grant Funds during the year and the number of full-time employees of the Company based in the LUG during the year. Upon request, the Company shall provide the LUG with any supporting documentation such as copies of forms filed with the N.C. Employment Security Commission. Such reports shall be received, annually, by the LUG no later than thirty (30) days following each anniversary of the Jobs Start Date. The Company shall also provide the LUG with a summary report no later than ninety (90) days following the Jobs End Date documenting final use of the Grant Funds and summarizing the overall uses and benefits to the LUG of the Grant, including the total number of jobs created over the three (3) year period beginning on the Jobs Start Date. Any unexpended Grant Funds as of the Jobs End Date shall be remitted by the Company to the LUG within sixty (60) days after the Jobs End Date. Any use of Grant Funds by the Company not satisfying the requirements as described in Section 2 are due from the Company to the LUG no later than one-hundred sixty (160) days following the Jobs End Date. In addition, the Company shall provide the LUG with a final report no later than ninety (90) days following the End of Maintenance Date which shall include relevant employment information related to the requirements set forth above.

(b) The Company shall retain all financial records, supporting documents, and other pertinent Project records related to the Grant for a period of five (5) years from the date of termination of this Performance Agreement. In the event such records are audited, all Project records shall be retained beyond the five-year period until any and all audit findings have been resolved. The Company agrees to make available to the LUG, or its designated representative, all of its records pertaining to Grant Fund expenditures which relate to the Project, and agrees to allow the Center or said representative to audit, examine and copy any and all data, documents, proceedings, records and notes of activity relating in any way to Grant Fund expenditures which relate to the Project. Access to these records shall be allowed upon request at any time during normal business hours and as often as the LUG or said representative may deem necessary.

(c) The Company hereby acknowledges and agrees that the staff of each of the LUG and the Center shall be permitted to make site visits to the location of the Project as may be necessary for each of the LUG and the Center to monitor and confirm compliance with the terms of the Grant Agreement and this Performance Agreement, including, without limitation, with respect to the use and expenditure of the Grant Funds by the Company. The Company shall be given reasonable advance notice of any site visit, which will be scheduled during regular business hours unless other mutually acceptable arrangements are agreed upon.

6. Applicable Law. This Performance Agreement shall be construed and enforced under the laws of the State of North Carolina, excluding its conflict of law principles.

7. Notice. All notices required or permitted to be delivered hereunder shall be in writing and shall be (a) personally delivered, (b) sent by email or facsimile (with a copy sent the same day by certified mail, postage prepaid), or (c) sent by Federal Express or other nationally recognized overnight delivery service, addressed as follows:

If to the LUG, to:

Wake County  
Attn.: County Manager  
Post Office Box 550  
Raleigh, North Carolina 27602

with a copy to:

Wake County Attorney  
Post Office Box 550  
Raleigh, North Carolina 27602

If to the Company, to:

INC Research, LLC  
Attn.: Kevin L. Brandenburg  
Senior Vice President & Head of Corporate Services  
3201 Beachleaf Court, Suite 600  
Raleigh, North Carolina 27604

with a copy to:

INC Research, LLC  
Attn.: Andrew I. Shaw  
Assistant General Counsel & Corporate Lead  
Head of Corporate Services  
3201 Beachleaf Court, Suite 600  
Raleigh, North Carolina 27604

or addressed to such other address or to the attention of such other individual as the LUG or the Company shall have specified in a notice delivered pursuant to this Section 7. Notice shall be deemed effective on the date dispatched if by personal delivery, on the date transmitted by email or facsimile (if confirmed by mail pursuant to this Section 7) or two (2) days after mailing if by Federal Express or other nationally recognized overnight delivery service.

8. Term and Termination. This Performance Agreement shall remain in effect for a period of six (6) years, unless sooner terminated. This Performance Agreement may be terminated or extended upon written consent of each of the Company, the LUG and the Center.

9. Indemnification. In its role as the administrator of the economic incentive grant from the Center to the Company, the LUG shall have no liability, whatsoever, resulting from the acts or omissions of the Company, its agents or employees, and in the event that a claim or lawsuit is filed against the LUG for the acts or omissions of the Company, its agents or employees, the Company shall defend and indemnify the LUG for any costs, expenses, or liability associated therewith. The Company agrees to obtain and maintain insurance or otherwise protect itself or others as it may deem desirable.

10. Compliance with the Law.

(a) The Company shall take all actions necessary to fully comply with the applicable requirements contained in Chapter 143C of the North Carolina General Statutes, including the rules and reporting requirements thereunder (including, without limitation, 09 NCAC Subchapter 03M.0205 ) (as such statutes, rules and requirements may be amended from time to time). For convenience, the current reporting thresholds applicable to the Grant, established for recipients and subrecipients receiving State funds, are stated below:

At least \$25,000 but less than \$500,000 (Level II)—A recipient or subrecipient that receives, holds, uses, or expends State funds in an amount of at least twenty-five thousand (\$25,000) or greater but less than five hundred thousand dollars (\$500,000) within its fiscal year must comply with the reporting requirements established by this Subchapter including: (i) a certification completed by the recipient or subrecipient stating that the State funds were received, held, used, or expended for the purposes for which they were granted; (ii) an accounting of the State funds received, held, used, or expended; and (iii) a description of activities and accomplishments undertaken by the recipient or subrecipient with the State funds, including reporting on any performance measures established in the contract. All reports shall be filed with the disbursing agency in the format and method specified by the agency no later than three months after the end of the recipient's or subrecipient's fiscal year.

(b) Such thresholds and requirements may change from time to time and the Company should review the applicable statutes, rules and requirements to determine the then-applicable thresholds and reporting requirements.

*(Signatures appear on the following page)*

IN WITNESS WHEREOF, each of the parties hereto have executed this Performance Agreement as of the date below, effective as the date first above written.

**LUG:**

COUNTY OF WAKE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 2017

**COMPANY:**

INC RESEARCH, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 2017

Attachment 1

*(Project Braavos Grant Agreement between Center and LUG)*