



**PHILIP MORRIS**  
**U.S.A.**  
RICHMOND, VIRGINIA

[March 14\_\_, 2003] [Please Confirm]

Jerry Merritt, Ph.D.  
Senior Vice President and General Manager  
MDS Pharma Services (US) Inc.  
621 Rose Street  
Lincoln, Nebraska 68502

**Re: Amendment No. 1 to Project Agreement Number 1 between MDS  
Pharma Services (US) Inc. and Philip Morris Incorporated, dated  
December 22, 2001**

Dear Dr. Merritt:

MDS Pharma Services (US) Inc., a Nebraska corporation ("Contractor") and Philip Morris ~~Incorporated USA Inc.~~ (Philip Morris Incorporated completed a change in corporate name on or about January 15, 2003 and is now known as Philip Morris USA Inc.) ("Company") ~~have entered into a p~~Project aAgreement Number 1 effective December 22, 2001, ~~and designated as Project Agreement No. 1~~ (the "Project Agreement"), which was entered into pursuant to the Master Services Agreement between the parties, ~~dated as o~~effective December 21, 2001 (the "Agreement"). In accordance with Section 18.02 of the Agreement, the terms and conditions of which are incorporated herein by reference, Contractor and Company agree to amend the Project Agreement effective as ~~of~~ [March 17, 2003] [Please Confirm] as follows:

1. The words "Philip Morris Incorporated" throughout the Agreement are hereby deleted and replaced with "Philip Morris USA Inc."
2. Numbered paragraph 1b: This paragraph shall be amended to read Paragraph 1(b) of the Project Agreement is hereby deleted in its entirety and replaced with the following:

“Contractor shall develop and validate a sensitive, selective, accurate and reproducible LC/MS/MS method for the analysis of the glucuronide forms of nicotine, cotinine, and trans-3'-hydroxycotinine with enzyme hydrolysis, and preferably within one assay of the unconjugated compounds.

3. Attachment A Objective Number 2: Objective Number 2 of Attachment A to the Project Agreement is hereby deleted in its entirety and replaced with the following: This shall be amended to read. “

The second objective is to develop and validate a sensitive, selective, accurate and reproducible LC/MS/MS method for the analysis of the glucuronide forms of nicotine, cotinine, and trans-3'-hydroxycotinine with enzyme hydrolysis, and preferably within one assay of the unconjugated compounds.

4. Except as expressly modified herein, the Project Agreement shall remain in full force and effect. The Project Agreement, as amended, sets forth the entire understanding of the parties on the subject hereof. In the event of any conflict between the terms of this amendment and the terms of the Project Agreement, this amendment will control provided herein, all other terms and conditions of the Project Agreement shall remain unchanged and in full force and effect.

Please indicate your agreement to this Amendment by having an authorized representative of Contractor countersigning sign both originals of this letter in the space indicated below and return one signed copy to [ ] [Please provide appropriate address and person].

Sincerely yours,

PHILIP MORRIS USA INC.

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

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

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

Accepted and agreed:

MDS PHARMA SERVICES (US) INC.

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

Printed

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

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